

# U.S. International Transactions, Fourth Quarter and Year 1995

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## FOURTH QUARTER 1995

**T**HE U.S. current-account deficit decreased to \$31.1 billion in the fourth quarter from \$40.3 billion (revised) in the third (table A).<sup>1</sup> The deficits on merchandise trade and investment income both fell sharply.

In the capital account, net recorded capital inflows—that is, net changes in U.S. assets abroad less net changes in foreign assets in the United States—were \$13.8 billion in the fourth quarter, compared with net inflows of \$89.0 billion in the third. A step-up in U.S. acquisitions of foreign assets accounted for much of the reduction.

The statistical discrepancy—errors and omissions in recorded transactions—shifted to an inflow of \$17.2 billion in the fourth quarter from

an outflow of \$48.8 billion in the third. The large shift is partly a reflection of the volatility of financial flows in the third and fourth quarters.

The following are highlights for the fourth quarter of 1995:

- The merchandise trade deficit fell, as exports continued to rise and imports decreased for the second consecutive quarter.
- The deficit on investment income fell, as direct investment income receipts increased strongly while total income payments remained about the same.
- Outflows for U.S. assets abroad increased, partly as a result of direct investment outflows for numerous large-scale acquisitions.
- Among foreign assets in the United States, a very substantial drop in inflows into U.S. Treasury securities was partly offset by a shift to especially strong inflows to U.S. banks.

1. Quarterly estimates of U.S. current- and capital-account components are seasonally adjusted when statistically significant seasonal patterns are present. The accompanying tables present both adjusted and unadjusted estimates.

Table A.—Summary of U.S. International Transactions

[Millions of dollars, seasonally adjusted]

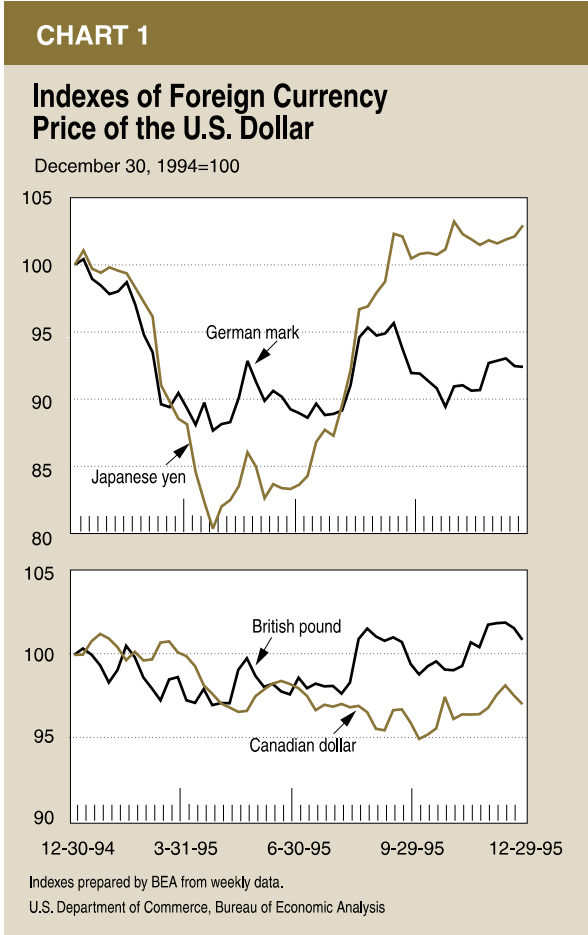
Line	Lines in tables 1 and 10 in which transactions are included are indicated in ( )	1994	1995 <sup>r</sup>	Change: 1994-95	1994				1995				Change: 1995 III- IV
					I	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
1	Exports of goods, services, and income (1) .....	838,820	965,008	126,188	197,173	204,161	214,305	223,180	232,581	239,760	242,255	250,412	8,157
2	Merchandise, excluding military (2) .....	502,485	574,879	72,394	118,445	122,730	127,384	133,926	138,325	142,667	145,050	148,837	3,787
3	Services (3) .....	198,716	208,828	10,112	47,786	49,093	50,890	50,947	51,071	51,692	52,755	53,311	556
4	Income receipts on investments (11) .....	137,619	181,301	43,682	30,942	32,338	36,031	38,307	43,185	45,401	44,450	48,264	3,814
5	Imports of goods, services, and income (15) .....	-954,304	-1,087,828	-133,524	-220,073	-233,369	-245,645	-255,218	-263,515	-275,785	-274,725	-273,808	917
6	Merchandise, excluding military (16) .....	-668,584	-749,348	-80,764	-154,935	-164,224	-172,011	-177,414	-182,784	-191,321	-188,376	-186,867	1,509
7	Services (17) .....	-138,829	-145,778	-6,949	-34,312	-34,522	-35,070	-34,926	-35,516	-36,379	-36,736	-37,150	-414
8	Income payments on investments (25) .....	-146,891	-192,703	-45,812	-30,826	-34,623	-38,564	-42,878	-45,215	-48,085	-49,613	-49,791	-178
9	Unilateral transfers (29) .....	-35,761	-30,095	5,666	-7,371	-8,778	-8,374	-11,239	-7,520	-7,117	-7,780	-7,677	103
10	U.S. assets abroad, net (increase/capital outflow (-)) (33) .....	-125,851	-280,096	-154,245	-36,783	-5,973	-27,940	-55,156	-75,455	-100,355	-27,517	-76,769	-49,252
11	U.S. official reserve assets, net (34) .....	5,346	-9,742	-15,088	-59	3,537	-165	2,033	-5,318	-2,722	-1,893	191	2,084
12	U.S. Government assets, other than official reserve assets, net (39) .....	-322	-326	-4	401	491	-283	-931	-152	-180	246	-240	-486
13	U.S. private assets, net (43) .....	-130,875	-270,028	-139,153	-37,125	-10,001	-27,492	-56,258	-69,985	-97,453	-25,870	-76,720	-50,850
14	Foreign assets in the United States, net (increase/ capital inflow (+)) (48) .....	291,365	426,325	134,960	80,390	46,526	79,736	84,715	94,841	124,332	116,544	90,609	-25,935
15	Foreign official assets, net (49) .....	39,409	110,483	71,074	10,977	9,162	19,691	-421	22,308	37,836	39,346	10,993	-28,353
16	Other foreign assets, net (56) .....	251,956	315,842	63,886	69,413	37,364	60,045	85,136	72,533	86,496	77,198	79,616	2,418
17	Allocations of special drawing rights (62) .....												
18	Statistical discrepancy (63) .....	-14,269	6,685	20,954	-13,336	-2,567	-12,082	13,718	19,068	19,165	-48,777	17,233	66,010
19	Memorandum: Balance on current account (70) .....	-151,245	-152,915	-1,670	-30,271	-37,986	-39,714	-43,277	-38,454	-43,142	-40,250	-31,073	9,177

<sup>r</sup> Revised.

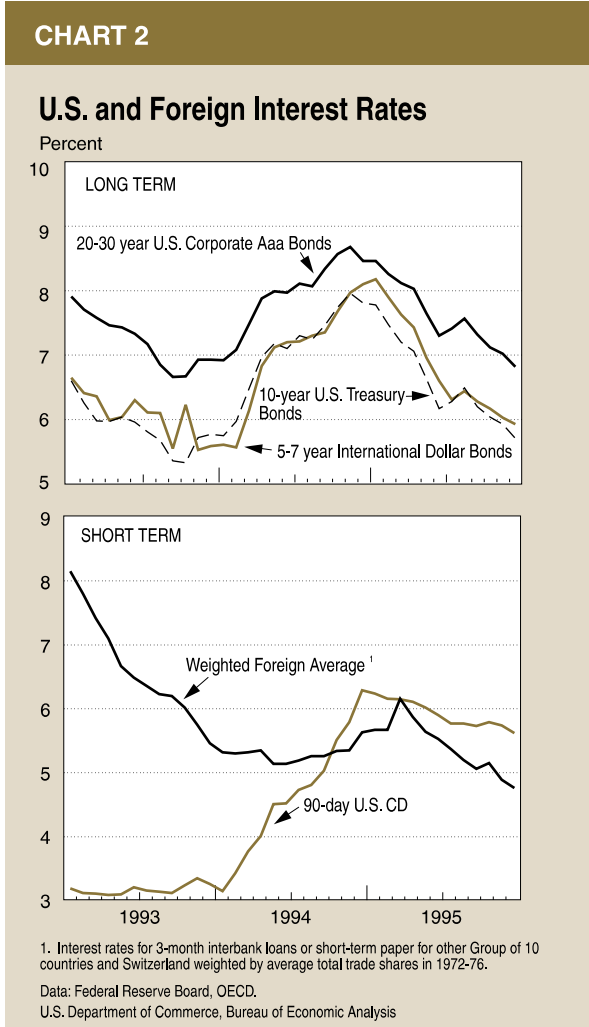
<sup>p</sup> Preliminary.

- The U.S. dollar edged up very slightly during the quarter, but on average, it was unchanged for the quarter.

*U.S. dollar in exchange markets.*—On a quarterly average basis, the U.S. dollar was virtually unchanged against the European currencies in the fourth quarter, and it appreciated 8 percent against the Japanese yen ([table B, chart 1](#)).



The dollar depreciated 1 percent on a quarterly average basis against the German mark. The German mark strengthened against the other European currencies in October, when considerable uncertainty arose whether France, Italy, and other countries could meet the tough fiscal re-



**Table B.—Indexes of Foreign Currency Price of the U.S. Dollar**  
[December 1980=100]

	1994	1995				1994	1995											
	IV	I	II	III	IV	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Trade-weighted average against 26 currencies <sup>1</sup> .....	98.0	96.6	92.3	95.1	96.6	99.0	98.2	97.3	94.4	92.1	92.0	92.7	93.1	96.6	95.5	95.9	96.9	97.1
Trade-weighted average against 10 currencies <sup>2</sup> .....	96.8	95.1	90.5	92.5	92.9	98.6	97.1	96.0	92.1	90.0	91.0	90.5	90.1	93.1	94.3	92.5	92.6	93.6
Selected currencies: <sup>3</sup>																		
Canada .....	114.4	117.7	114.7	113.3	113.4	116.2	118.2	117.1	117.7	115.1	113.8	115.2	113.8	113.3	112.9	112.5	113.2	114.5
European currencies:																		
Belgium .....	100.7	96.4	90.8	93.1	92.6	102.2	99.7	97.7	91.8	89.8	91.7	91.0	90.3	94.0	95.0	92.0	92.1	93.6
France .....	116.4	113.4	108.0	108.6	108.2	118.9	116.2	114.7	109.3	106.5	109.5	108.0	106.1	109.2	110.6	108.4	107.3	108.8
Germany .....	78.5	75.2	71.1	72.8	72.4	79.9	77.8	76.4	71.5	70.2	71.7	71.3	70.6	73.5	74.3	71.9	72.1	73.3
Italy .....	169.9	175.5	178.4	172.6	170.7	175.4	172.6	172.6	181.4	184.5	175.4	175.4	172.6	172.6	172.6	172.6	169.8	169.8
Netherlands .....	81.0	77.7	73.2	75.1	74.7	82.4	80.3	78.9	73.9	72.4	73.9	73.4	72.8	75.8	76.6	74.2	74.3	75.5
Switzerland .....	72.8	69.8	64.9	66.2	64.6	74.6	72.2	71.4	65.7	63.9	65.6	65.1	64.9	67.2	66.6	64.3	64.2	65.3
United Kingdom .....	148.2	148.4	147.1	149.2	150.5	150.6	149.1	149.4	146.7	146.1	147.9	147.2	147.2	149.9	150.6	148.8	150.3	152.4
Japan .....	47.1	45.8	40.2	44.8	48.3	47.7	47.5	46.8	43.1	39.8	40.5	40.3	41.6	45.1	47.8	48.0	48.5	48.5

1. Currencies of 22 OECD countries—Australia, Austria, Belgium-Luxembourg, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom—plus Hong Kong, Republic of Korea, Singapore, and Taiwan. Data: U.S. Department of the Treasury. End-of-month rates for months; averages of end-of-month rates for quarters.

2. Currencies of Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, and United Kingdom. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.

3. Data: Federal Reserve Board. Monthly and quarterly average rates. Indexes prepared by BEA.

quirements for entry into the European Monetary Union (EMU). Capital flight into marks affected the dollar negatively, but the mark's strength subsided late in the quarter, when the countries of the weaker currencies reaffirmed their desire to join the EMU. In addition, the weakening of German economic growth throughout the period, and a more rapid decline in German and other European interest rates than in U.S. rates, substantially increased interest-rate differentials in favor of dollar assets and thereby provided support to the dollar (charts 2 and 3). The positive effect on the dollar of falling European interest rates was partly offset by monetary easing in the United States.

The dollar appreciated 8 percent on quarterly average basis against the yen. The appreciation was mostly attributable to the lack of confidence in the Japanese economy brought about by losses at a large Japanese securities firm and the closure of that firm's U.S. offices by the Federal Reserve, by the negative impact of earlier credit union failures in Japan, and by the lack of full disclosure of a sizable volume of nonperforming loans at Japanese banks. Early in November, the Japanese government announced that all deposits at Japanese commercial banks would be insured, including those at overseas branches.

The Canadian dollar was unchanged on a quarterly average basis against the U.S. dollar. The Canadian dollar fell prior to the referendum on the secession of Quebec from the rest of Canada at the end of October, but it recovered when the initiative to secede was narrowly defeated.

The dollar appreciated 22 percent against the Mexican peso on a quarterly average basis. Despite a gradual return to financial stability through the middle months of the year, confidence in the peso was undermined by an unexpectedly high inflation report in November and by a reluctance of foreign investors to continue to hold Mexican assets toward yearend. Near the end of the quarter, Mexican monetary authorities tightened liquidity conditions and purchased pesos in the foreign exchange market.

## Current Account

### Goods and services

The deficit on goods and services decreased to \$21.9 billion in the fourth quarter from \$27.3 billion in the third. The deficit on merchandise trade decreased substantially, and the surplus on services increased by a small amount.

**Merchandise trade.**—The U.S. merchandise trade deficit decreased to \$38.0 billion in the fourth quarter from \$43.3 billion in the third. The smaller deficit reflected an increase in exports and a decrease in imports.

**Exports.**—Exports increased \$3.8 billion, or 3 percent, to \$148.8 billion in the fourth quarter. Quantity increased 3 percent.<sup>2</sup> Nonagricultural exports accounted for much of the increase.

Nonagricultural exports increased \$3.3 billion, or 2 percent, to \$133.6 billion. Much of the increase was accounted for by capital goods, especially computers, peripherals, and parts; semiconductors; telecommunications equipment; and industrial, agricultural, and service machinery. Civilian aircraft rebounded from the previous quarter's low but were held down by a strike. Consumer goods also increased.

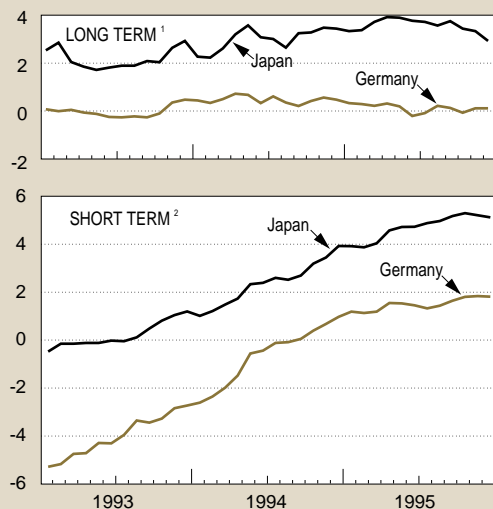
Agricultural exports increased \$0.5 billion, or 4 percent, to a quarterly record of \$15.2 billion. All of the increase was in prices; quantity was unchanged. The increase in value was more than accounted for by cotton exports, which increased \$0.6 billion, largely to the developing countries in Asia (mainly China). Cotton prices remained

CHART 3

### Interest-Rate Differentials

(Plus (+) Indicates Differentials in Favor of U.S. Dollar Assets)

Percentage points



1. Interest rate on U.S. Government bonds (composite over 10 years) less interest rate on Japanese Central Government bonds. Interest rate on U.S. Government bonds (composite over 10 years) less interest rate on German 7-15 year public sector bonds. Data OECD.

2. Interest rate on 90-day Eurodollar deposits less Japanese CD rate. Interest rate on 90-day Eurodollar deposits less German interbank rate. Data: Federal Reserve Board.

U.S. Department of Commerce, Bureau of Economic Analysis

2. Quantity estimates are in chained (1992) dollars; price indexes are chain-type measures.

high, partly because of the poor yield of the new U.S. crop. Corn remained especially strong, edging up to its highest quarterly level since the second quarter of 1981. Soybeans decreased after sizable increases in the two previous quarters.

**Imports.**—Imports decreased \$1.5 billion, or 1 percent, to \$186.9 billion in the fourth quarter. Quantity was unchanged. Both nonpetroleum and petroleum imports have decreased for two consecutive quarters.

Nonpetroleum imports decreased \$0.8 billion, or 1 percent, to \$173.5 billion. All major categories decreased except capital goods. The largest decrease was in imports of automotive products from areas other than Canada and Mexico (mainly Japan). Capital goods, especially computers and semiconductors, remained strong.

Petroleum imports decreased \$0.7 billion, or 5 percent, to \$13.4 billion. The average price per barrel was virtually unchanged at \$16.01, and the average number of barrels imported daily decreased to 9.15 million from 9.61 million. Domestic production and consumption increased, and inventories were reduced.

**Services.**—The surplus on services increased to \$16.2 billion in the fourth quarter from \$16.0 billion in the third. Travel more than accounted for the increases in both service receipts and service payments.

Foreign visitors spent \$15.3 billion in the United States, up 4 percent. Receipts from overseas visitors were \$13.1 billion, up 4 percent; receipts from Canada were \$1.6 billion, up 9 percent; and receipts from Mexico, reflecting renewed depreciation of the peso, were \$0.6 billion, down 16 percent. U.S. travelers spent \$11.8 billion abroad, up 5 percent. Payments to overseas residents were \$9.3 billion, up 4 percent; payments to Canada were \$1.2 billion, up 13 percent; and payments to Mexico were \$1.3 billion, up 11 percent.

"Other" transportation receipts increased slightly to \$7.3 billion. "Other" transportation payments decreased to \$7.3 billion from \$7.5 billion, largely as a result of a decrease in freight payments.

"Other" private service receipts were unchanged at \$16.1 billion. "Other" private service payments were unchanged at \$9.8 billion.

### **Investment income**

The deficit on investment income decreased to \$1.5 billion in the fourth quarter from \$5.2 billion in the third. Receipts, particularly direct invest-

ment, increased strongly, and payments increased only a small amount.

**Direct investment income.**—Income receipts on U.S. direct investment abroad increased strongly to \$25.2 billion in the fourth quarter from \$22.2 billion in the third. Earnings increases were especially strong in Western Europe, where affiliates of U.S. parents in computer and semiconductor manufacturing responded to the strong demand for personal computers and where affiliates in transportation recovered from weak earnings in the third quarter. Earnings of affiliates in the Pacific Rim were also especially strong, particularly in petroleum.

Income payments on foreign direct investment in the United States were \$8.2 billion, down from \$9.0 billion. Earnings fell from the third quarter but remained well above year-ago levels.

**Portfolio investment income.**—Receipts of income on "other" private investment were \$22.0 billion in the fourth quarter, up from \$21.4 billion, as a result of higher claims outstanding. Payments of income on "other" private investment were \$25.4 billion, up from \$24.8 billion, as a result of higher liabilities outstanding. A decline in interest rates held down the increases in both receipts and payments.

Receipts of income on U.S. Government assets were up slightly to \$1.0 billion. Payments of income on U.S. Government liabilities were \$16.2 billion, up from \$15.8 billion, as a result of higher liabilities outstanding.

### **Unilateral transfers**

Net unilateral transfers were \$7.7 billion in the fourth quarter, down slightly from \$7.8 billion in the third.

U.S. Government grants were unchanged at \$2.9 billion. Unlike the past several years, large disbursements to Israel were not made in the fourth quarter as a result of temporary expenditure constraints imposed during protracted congressional budget negotiations late in the year. (Many of the grants scheduled for Israel were subsequently disbursed in the first quarter of 1996.)

## **Capital Account**

Net recorded capital inflows—that is, net changes in U.S. assets abroad less net changes in foreign assets in the United States—were \$13.8 billion in the fourth quarter, compared with net inflows of \$89.0 billion in the third. A step-up in U.S.

acquisitions of foreign assets from a low third quarter accounted for much of the reduction in net inflows.

### *U.S. assets abroad*

U.S. assets abroad increased \$76.8 billion in the fourth quarter, compared with an increase of \$27.5 billion in the third. The step-up was mostly accounted for by larger direct investment capital outflows and a shift to an increase in U.S. bank-reported claims.

*U.S. official reserve assets.*—U.S. official reserve assets decreased \$0.2 billion in the fourth quarter, following a \$1.9 billion increase in the third. The fourth-quarter decrease was more than accounted for by the partial repayment (\$0.7 billion) of short-term swap arrangements by the Mexican Government; the remaining short-term indebtedness (\$1.3 billion) was renewed under a new short-term swap arrangement (table C).

*Claims reported by banks.*—U.S. claims on foreigners reported by U.S. banks increased \$4.4 billion in the fourth quarter, in contrast to a \$14.6 billion decrease in the third. In the fourth quarter, much of the \$16.3 billion increase in banks' own claims payable in dollars was related to (1) lending to international bond mutual funds in the Caribbean to finance purchases of U.S. Treasury securities and (2) lending by European-owned banks in the United States to affiliated banks in Western Europe. A decrease in claims of Japanese-owned banks was perhaps related to financial problems encountered by their parents in Japan. Banks' own claims payable in foreign currencies increased \$5.3 billion. Banks' domestic customers' claims decreased \$11.9 billion, largely as a result of a decrease in deposits.

*Foreign securities.*—Net U.S. purchases of foreign securities were \$31.5 billion in the fourth quarter, down from \$34.0 billion in the third.

Net U.S. purchases of foreign stocks were \$13.8 billion, down from \$21.0 billion. Net purchases from Europe remained strong, bolstered by new issues, but net purchases from Japan dropped sharply to \$4.2 billion from \$11.4 billion. The recent failures of several Japanese financial institutions and discovery of the extent of nonperforming assets of Japanese banks contributed to increased investor caution regarding the Japanese economy.

Net U.S. purchases of foreign bonds were \$17.7 billion, up from \$13.0 billion, mostly as a result of renewed acquisitions of outstanding British gilt-edged bonds. Net purchases of British bonds doubled to \$5.0 billion, partly reflecting an interest-rate differential of 170 basis points in favor of British bonds and the relative stability of the sterling to dollar exchange rate. New foreign bond issues in the United States were unchanged and remained strong at \$12.8 billion, as U.S. bond rates continued to fall; concerns about the creditworthiness of borrowers from developing countries, which had held down borrowing in the first half of the year, largely receded in the second half.

*Direct investment.*—Net capital outflows for U.S. direct investment abroad were \$40.9 billion in the fourth quarter, compared with \$16.2 billion in the third. Equity capital outflows reached a record level as a result of a clustering of especially large acquisitions in the pharmaceutical industry, reflecting global consolidation, and in the public utility industry, reflecting privatizations. Reinvested earnings were also especially strong.

**Table C.—Selected Transactions with Official Agencies**

(Millions of dollars)

	1994	1995 <sup>a</sup>	Change: 1994– 95	1994				1995				Change: 1995 III– IV
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>	
Changes in foreign official assets in the United States, net (decrease –) (table 1, line 49) .....	39,409	110,483	71,074	10,977	9,162	19,691	–421	22,308	37,836	39,346	10,993	–28,353
Industrial countries <sup>1</sup> .....	29,815	23,261	–6,554	10,870	16,529	9,439	–7,023	14,175	7,379	5,480	–3,773	–9,253
Members of OPEC <sup>2</sup> .....	–1,184	4,482	5,666	–1,651	–4,217	3,564	1,120	–322	–11	6,278	–1,463	–7,741
Other countries .....	10,778	82,740	71,962	1,758	–3,150	6,688	5,482	8,455	30,468	27,588	16,229	–11,359
Changes in U.S. official reserve assets, net (increase –) (table 1, line 34) .....	5,346	–9,742	–15,088	–59	3,537	–165	2,033	–5,318	–2,722	–1,893	191	2,084
Activity under U.S. official reciprocal currency arrangements with foreign monetary authorities: <sup>3</sup>												
Foreign drawings, or repayments (–), net .....		11,800	11,800					5,000	5,000	2,500	–700	–3,200
Drawings .....		18,800	18,800					6,000	7,000	4,500	1,300	–3,200
Repayments .....		–7,000	–7,000					–1,000	–2,000	–2,000	–2,000	

<sup>a</sup> Revised.

<sup>p</sup> Preliminary.

1. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

2. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Beginning in January 1993, excludes Ecuador.

3. Consists of transactions of the Federal Reserve System and the U.S. Treasury Department's Exchange Stabilization Fund.



### *Foreign assets in the United States*

Foreign assets in the United States increased \$90.6 billion in the fourth quarter, compared with an increase of \$116.5 billion in the third. Inflows for foreign official assets slowed, net foreign purchases of U.S. Treasury securities fell sharply, and U.S. liabilities reported by U.S. banks excluding U.S. Treasury securities increased by a large amount following a decrease.

*Foreign official assets.*—Foreign official assets in the United States increased \$11.0 billion in the fourth quarter, following a \$39.4 billion increase in the third (table C). In the fourth quarter, assets of developing countries increased at about half the exceptional pace of the second and third quarters, and assets of industrial countries decreased.

*Liabilities reported by banks.*—U.S. liabilities to foreigners reported by U.S. banks, excluding U.S. Treasury securities, increased \$29.8 billion in the fourth quarter, in contrast to a \$21.6 billion decrease in the third. In the fourth quarter, banks' own liabilities payable in dollars increased \$16.6 billion, as both U.S.-owned and foreign-owned banks borrowed exceptionally large amounts in October from banks in Western Europe and the Caribbean and then repaid some of those borrowings in November and December. A small part of the increase was borrowing by Japanese-owned banks in the United States from their parents to avoid paying premium costs imposed in the interbank market as a result of the weakened asset positions of banks located in Japan. Banks' own liabilities payable in foreign currencies increased \$10.1 billion; much of the increase was by Japanese banks, whose foreign currency liabilities and claims both increased by sizable amounts.

*U.S. Treasury securities.*—Net foreign purchases of U.S. Treasury securities were \$1.7 billion in the fourth quarter, compared with \$37.2 billion in the third. Despite continued strength in U.S. bond markets and the highest bond prices in nearly 2 years, net foreign purchases plummeted after reaching record levels in each of the previous four quarters. Large net sales by Western European and Japanese investors were more than offset by especially strong net purchases by international bond mutual funds in the Caribbean.

*Other U.S. securities.*—Net foreign purchases of U.S. securities other than U.S. Treasury securities

were \$27.2 billion in the fourth quarter, compared with \$31.0 billion in the third.

Net foreign purchases of U.S. bonds were \$17.3 billion, down from \$26.2 billion, mostly as a result of a decline in transactions in U.S. Government agency issues; foreign net purchases of these mortgage-backed securities were slowed by Japanese sales and by investors' concerns over early redemption as U.S. interest rates fell. New bond issues sold abroad by U.S. corporations slowed but remained strong.

Net foreign purchases of U.S. stocks were \$9.9 billion, compared with \$4.8 billion. Aside from an exceptionally large foreign acquisition of a U.S. company through an exchange of stock, net purchases were weak, in spite of increases in stock prices that carried the averages into record territory and stability of the dollar in exchange markets.

*Direct investment.*—Net capital inflows for foreign direct investment in the United States were \$20.9 billion in the fourth quarter, compared with \$23.7 billion in the third. Fourth-quarter equity capital inflows were boosted by an exceptionally large acquisition in the pharmaceutical industry, reflecting global consolidation, and by several other major large acquisitions in insurance, wholesale trade, and banking. However, the step-up was more than offset by a sharp decrease in intercompany debt inflows from strong inflows in the third quarter.

## THE YEAR 1995

The U.S. current-account deficit increased to \$152.9 billion in 1995 from \$151.2 billion in 1994. By quarter, the largest deficit occurred in the second quarter, and progressively lower deficits occurred in the two quarters that followed. For the year, increases in the deficits on merchandise trade and on investment income were nearly offset by an increase in the surplus on services and a reduction in net unilateral transfers (table D).

In the capital account, net recorded inflows—that is, net changes in U.S. assets abroad less net changes in foreign assets in the United States—were \$146.2 billion in 1995, compared with \$165.5 billion in 1994. In 1995, increases in U.S. assets abroad and in foreign assets in the United States both accelerated sharply.

The statistical discrepancy—errors and omissions in recorded transactions—was an inflow of \$6.7 billion in 1995, in contrast to an outflow of \$14.3 billion in 1994.

The following are highlights for the year 1995:

- The merchandise trade deficit increased, but by much less than in 1994. Exports increased strongly in response to the second consecutive year of expansion in most industrial countries abroad, while imports remained strong as the U.S. economy completed its fourth year of expansion.
- The deficit on investment income increased by only a small amount; however, both income receipts and payments increased by sizable amounts.
- Capital inflows into U.S. securities (mostly bonds) were especially strong, more than double 1994's inflows.
- Capital inflows to U.S. banks dropped to a small amount from exceptionally large inflows last year, partly due to rapid deceleration in the growth of domestic bank credit, and therefore in the demand for foreign funds, that accompanied the slowdown in U.S. economic activity.
- Capital outflows from U.S. banks were characterized largely by lending related to securities purchases.
- Capital outflows and inflows for direct investment were much larger than in 1994, reflecting substantial merger and acquisition activity both in the United States and abroad.
- The U.S. dollar depreciated 8 percent in the foreign exchange markets on a trade-weighted yearly average basis.

dollar lower against the European and Japanese currencies. In the second half, the dollar recovered in mid-summer against the European currencies and was stable thereafter, bolstered by slowing European economic growth and by European interest rates that declined more rapidly than U.S. rates. The recovery against the yen was much stronger than that against the European currencies, partly because the Japanese economy failed to generate any sustained growth and the weakened Japanese banking sector substantially eroded confidence in the Japanese economy (table B, chart 1).

At the close of 1994, U.S. interest rates were expected to rise further, which would likely increase interest-rate differentials in favor of dollar assets and slow the decline of the dollar. Indeed, the Federal Reserve Board, still concerned over the strength of the U.S. economy in 1994, raised both the federal funds rate and the discount rate 50 basis points early in 1995. By contrast, most European interest rates were expected to remain stable, partly in response to stronger economic growth in Europe than in the United States.

However, contrary to expectations, U.S. interest rates began to decline at yearend 1994 then fell further as U.S. economic activity slowed. Because European and Japanese interest rates changed little, the dollar fell substantially, and at times sharply, against the European currencies and even more against the Japanese yen. U.S. and foreign monetary authorities intervened on four occasions in the March–May period to slow the decline. Nonetheless, interest-rate differentials in favor of dollar assets continued to increase; these increases carried into the July–September period.

Several developments in the Japanese financial situation contributed to a sharp recovery of the dollar against the yen in the July–September period: These included actions by Japanese monetary authorities in July to lower the Japanese

*U.S. dollar in exchange markets.*—The U.S. dollar depreciated 8 percent on a trade-weighted yearly average basis in 1995. Within 1995, it fell substantially in the first half and then recovered somewhat in the second.

In the first half of 1995, a slowing U.S. economy and declining U.S. interest rates pushed the

**Table D.—Selected Balances on U.S. International Transactions**

[Millions of dollars, quarters seasonally adjusted]

	1993	1994	1995 <sup>a</sup>	1995			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
Merchandise trade balance .....	-132,618	-166,099	-174,469	-44,459	-48,654	-43,326	-38,030
Services, net .....	57,777	59,887	63,051	15,555	15,313	16,019	16,161
Investment income, net .....	9,000	-9,272	-11,402	-2,030	-2,684	-5,163	-1,527
Direct, net .....	56,329	45,081	59,131	14,252	14,681	13,179	17,019
Other private, net .....	-10,876	-11,416	-13,851	-3,273	-3,702	-3,462	-3,414
U.S. Government, net .....	-36,453	-42,937	-56,684	-13,009	-13,663	-14,880	-15,132
Unilateral transfers, net .....	-34,084	-35,761	-30,095	-7,520	-7,117	-7,780	-7,677
Current account balance .....	-99,925	-151,245	-152,915	-38,454	-43,142	-40,250	-31,073

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

overnight call money rate, the introduction in August of deregulatory measures aimed at encouraging Japanese financial investment abroad, the failure in August and September of several Japanese financial institutions, and a reduction in the Japanese official discount rate in September. Moreover, actions by German monetary authorities to lower the German discount and Lombard rates in late August in response to slowing German economic growth contributed to a recovery of the dollar against the mark. Exchange market intervention by U.S. and foreign monetary authorities in early July against the German mark and in early August against the Japanese yen also contributed to the dollar's recovery in the exchange markets.

Dollar appreciation against the Japanese yen continued in the October–December period as a result of the lack of confidence brought about by losses at a large Japanese securities firm and by the lack of disclosure of a substantial volume of nonperforming loans at Japanese banks. Consequently, short-term funding costs for nearly all Japanese banks increased sharply, as manifested by additional premiums on yen- and dollar-denominated LIBOR deposits that Japanese banks had to pay in order to borrow in the Eurocurrency markets. The dollar changed little against the German mark and other European currencies in the October–December period, as European economies weakened and as both market and official interest rates declined faster than U.S. rates; the positive effect of falling European interest

rates was partly offset by monetary easing in the United States.

The dollar appreciated 95 percent against the Mexican peso in 1995. In the first quarter, the peso was under severe pressure when international investors hesitated to roll over maturing short-term debt obligations of the Mexican Government, when investors were unsettled about the effect of high interest rates on a weak economy, and when investors were uncertain about the approval of U.S. and multinational financial assistance programs. Some stability returned to the exchange markets and Mexican financial markets in the middle months of the year as inflation slowed somewhat from exceptionally high rates, as the Mexican stock market rallied, as interest rates fell sharply, and as the Mexican Government was able to raise funds in the international bond market, partly to repay some of its short-term indebtedness. However, the peso again fell sharply in the fourth quarter when confidence was undermined by an unexpectedly high inflation report, by diminished prospects for economic recovery, and by a reluctance by foreign investors to hold Mexican assets toward yearend.

Against the currencies of the newly industrialized countries, the U.S. dollar appreciated 4 percent against the Taiwan dollar. In contrast, the dollar depreciated 3 percent against both the Singapore dollar and the South Korean won and was unchanged against the Hong Kong dollar.

**Table E.—U.S. Merchandise Trade, Current and Chained (1992) Dollars**

[Balance of payments basis, millions of dollars, quarters seasonally adjusted]<sup>1</sup>

	Current dollars								Chained (1992) dollars <sup>1</sup>							
	1993	1994	1995 <sup>P</sup>	1995				1993 <sup>P</sup>	1994 <sup>P</sup>	1995 <sup>P</sup>	1995					
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>				I <sup>P</sup>	II <sup>P</sup>	III <sup>P</sup>	IV <sup>P</sup>		
<b>Exports</b>	<b>456,823</b>	<b>502,485</b>	<b>574,879</b>	<b>138,325</b>	<b>142,667</b>	<b>145,050</b>	<b>148,837</b>	<b>461,829</b>	<b>504,646</b>	<b>560,849</b>	<b>135,879</b>	<b>138,512</b>	<b>140,825</b>	<b>145,633</b>		
Agricultural products	43,704	47,062	57,243	13,996	13,380	14,669	15,198	43,028	44,439	49,594	12,805	12,032	12,431	12,326		
Nonagricultural products	413,119	455,423	517,636	124,329	129,287	130,381	133,639	418,724	460,498	511,428	123,098	126,504	128,454	133,372		
Foods, feeds, and beverages	40,692	42,017	50,543	11,854	12,020	13,428	13,241	40,216	40,253	44,615	11,311	11,068	11,497	10,739		
Industrial supplies and materials	111,871	121,552	146,221	35,898	37,329	36,431	36,563	110,924	113,480	121,225	29,960	30,294	30,041	30,930		
Capital goods, except automotive	182,216	205,390	233,315	54,313	57,784	58,852	62,366	189,688	221,621	261,506	60,416	63,932	66,200	70,958		
Automotive vehicles, parts, and engines	52,405	57,614	60,506	15,766	14,610	15,176	14,954	51,949	56,572	58,677	15,352	14,226	14,748	14,351		
Consumer goods (nonfood), except automotive	54,655	59,981	64,456	15,740	16,095	16,169	16,452	54,019	59,055	62,635	15,402	15,644	15,654	15,935		
Exports, n.e.c.	14,984	15,931	19,838	4,754	4,829	4,994	5,261	15,010	15,873	19,068	4,620	4,630	4,779	5,039		
<b>Imports</b>	<b>589,441</b>	<b>668,584</b>	<b>749,348</b>	<b>182,784</b>	<b>191,321</b>	<b>188,376</b>	<b>186,867</b>	<b>599,112</b>	<b>675,331</b>	<b>737,876</b>	<b>180,974</b>	<b>186,291</b>	<b>185,227</b>	<b>185,384</b>		
Petroleum and products	51,475	51,276	55,069	13,075	14,575	14,046	13,373	56,694	60,085	58,059	14,120	14,345	15,168	14,426		
Nonpetroleum products	537,966	617,308	694,279	169,709	176,746	174,330	173,494	542,435	614,931	678,653	166,381	171,432	170,078	170,762		
Foods, feeds, and beverages	27,866	30,958	33,179	8,501	8,157	8,290	8,231	27,977	28,690	29,342	7,418	7,231	7,298	7,395		
Industrial supplies and materials	152,437	164,863	183,900	44,830	49,139	45,443	44,488	157,712	170,502	174,003	43,204	45,376	43,197	42,226		
Capital goods, except automotive	152,366	184,425	221,604	51,435	54,791	57,042	58,336	159,681	198,215	245,562	56,363	59,383	63,374	66,442		
Automotive vehicles, parts, and engines	102,419	118,269	124,485	32,355	32,034	30,774	29,322	100,720	112,555	115,139	30,267	29,634	28,337	26,901		
Consumer goods (nonfood), except automotive	134,015	146,299	160,004	39,692	40,693	40,289	39,330	132,854	144,046	154,981	38,761	39,377	38,872	37,971		
Imports, n.e.c. and U.S. goods returned	20,338	23,770	26,176	5,971	6,507	6,538	7,160	20,309	23,275	24,878	5,725	6,156	6,197	6,800		

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

1. Because chain indexes use weights of more than one period, the corresponding chained dollar estimates are usually not additive.



## Current Account

### Goods and services

The deficit on goods and services increased to \$111.4 billion in 1995 from \$106.2 billion in 1994. The larger merchandise trade deficit more than accounted for the increase; the surplus on services increased.

**Merchandise trade.**—The merchandise trade deficit increased to \$174.5 billion in 1995 from \$166.1 billion in 1994 and \$132.6 billion in 1993 (tables E and F). The far smaller increase in the deficit in 1995 than in 1994 was attributable to a decrease in imports in the second half of the year.

U.S. exports increased strongly in response to the second consecutive year of expansion in most industrial countries and to sustained expansion in developing countries. Depreciation of the dol-

lar (measured on a trade-weighted average basis) in 1994 and the first half of 1995 may have had a slight stimulative effect on exports. U.S. imports remained strong, as the U.S. economy completed its fourth year of expansion.

U.S. exports were spurred by increases in demand and output abroad in 1995. Expansion continued in Germany and the other continental European countries, the United Kingdom, and Canada, but that expansion decelerated sharply as 1995 progressed; Japan showed little expansion for the entire year (chart 4). Expansion in the developing countries of Asia and Latin America was sustained at just under the pace of 1994. U.S. imports were strong for the fourth consecutive year, in spite of a slowing in U.S. real gross domestic product to 2.0 percent in 1995 from 3.5 percent in 1994.

Domestic prices of exports increased more than in 1994; the largest step-up was in industrial supplies and materials (table G). However, prices decreased for all major categories when converted into foreign currencies, as appreciation of foreign currencies more than offset the increase in domestic prices (table H).

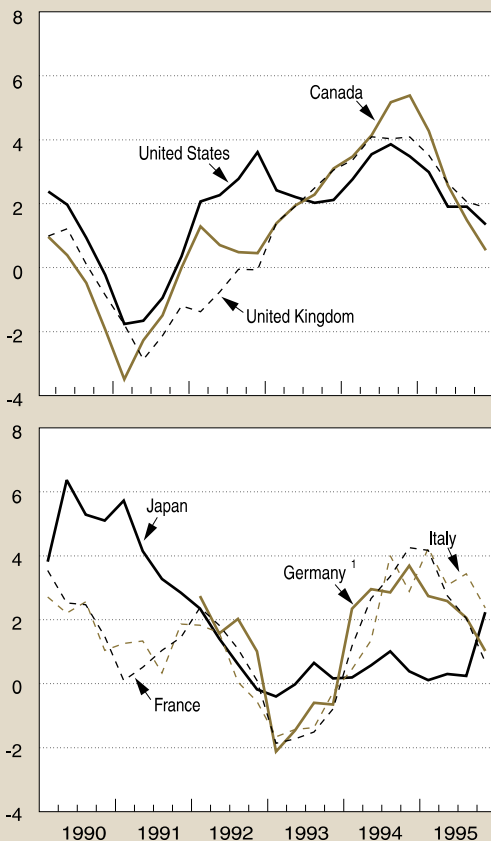
Dollar prices of most imports increased only slightly more than in 1994. However, the prices of nonpetroleum industrial supplies and materials and of petroleum increased much more sharply.

**Exports.**—Nonagricultural exports increased \$62.2 billion, or 14 percent, to \$517.6 billion in 1995, compared with a 10-percent increase in 1994. Quantity increased 11 percent, following a 9-percent increase. In value, growth of capital

### CHART 4

#### Major Industrial Countries: Real GDP

Percent change from four quarters earlier



1. Data for unified Germany not available prior to 1991.

Data: International Monetary Fund.

U.S. Department of Commerce, Bureau of Economic Analysis

**Table F.—Percent Changes in U.S. Merchandise Trade,  
Current and Chained (1992) Dollars**

[Balance of payments basis]

	Current dollars			Chained (1992) dollars		
	1992	1994	1995 <sup>P</sup>	1993 <sup>P</sup>	1994 <sup>P</sup>	1995 <sup>P</sup>
<b>Exports</b> .....	<b>3.7</b>	<b>10.0</b>	<b>14.4</b>	<b>4.9</b>	<b>9.3</b>	<b>11.1</b>
Agricultural products .....	-8	7.7	21.6	-2.3	3.3	11.6
Nonagricultural products .....	4.2	10.2	13.7	5.7	10.0	11.1
Foods, feeds, and beverages .....	.9	3.3	20.3	-3	.1	10.8
Industrial supplies and materials .....	2.1	8.7	20.3	1.2	2.3	6.8
Capital goods, except automotive .....	3.5	12.7	13.6	7.7	16.8	18.0
Automotive vehicles, parts, and engines .....	11.4	9.9	5.0	10.4	8.9	3.7
Consumer goods (nonfood), except automotive .....	6.3	9.7	7.5	5.0	9.3	6.1
Exports, n.e.c. ....	-5.8	6.3	24.5	-5.6	5.7	20.1
<b>Imports</b> .....	<b>9.9</b>	<b>13.4</b>	<b>12.1</b>	<b>11.7</b>	<b>12.7</b>	<b>9.3</b>
Petroleum and products .....	-2	-4	7.4	10.3	6.0	-3.4
Nonpetroleum products .....	10.9	14.7	12.5	11.9	13.4	10.4
Foods, feeds, and beverages .....	.9	11.1	7.2	1.3	2.5	2.3
Industrial supplies and materials .....	8.4	8.2	11.5	12.3	8.1	2.1
Capital goods, except automotive .....	13.5	21.0	20.2	18.9	24.1	23.9
Automotive vehicles, parts, and engines .....	11.6	15.5	5.3	9.7	11.8	2.3
Consumer goods (nonfood), except automotive .....	9.3	9.2	9.4	8.3	8.4	7.6
Imports, n.e.c. and U.S. goods returned .....	4.0	16.9	10.1	3.8	14.6	6.9

<sup>P</sup> Preliminary.

goods remained especially strong and was augmented by a sharp step-up in growth of nonagricultural industrial supplies and materials; these two categories combined accounted for four-fifths of the growth in nonagricultural exports. Growth of consumer goods slowed, but remained strong, and growth of automotive products fell by one-half (**chart 5**). About 60 percent of the export growth was to industrial countries, and about 40 percent was to developing countries.

Capital goods increased \$27.9 billion, or 14 percent, to \$233.3 billion, up slightly from an increase of 13 percent. Quantity increased 18 percent, up from 17 percent. The increase in value was more than accounted for by non-aircraft components: An especially large increase of \$33.2 billion followed a strong increase of \$24.4 billion in 1994 as

a result of continued acceleration in semiconductors, computers, telecommunications equipment, and industrial and agricultural machinery. Other machinery, engines, and parts continued to increase at the same pace as in 1994. These increases were partly offset by a sizable drop in deliveries of civilian aircraft and parts, which decreased \$5.3 billion after decreases of \$1.2 billion 1994 and \$5.0 billion in 1993 (**table I**).

Nonagricultural industrial supplies and materials increased \$22.8 billion, or 20 percent, to \$135.3 billion, up sharply from an increase of 7 percent. Quantity increased 7 percent, compared with a 2-percent increase. In value, paper and paper-based products, chemicals, metals, and nonmetals were all exceptionally strong. Exports

**Table G.—Percent Changes in U.S. Merchandise Trade Chain-Weighted Price Indexes**

[Based on index numbers (1992=100)]

	1993 <sup>P</sup>	1994 <sup>P</sup>	1995 <sup>P</sup>
<b>Exports</b> .....	<b>-1.1</b>	<b>0.7</b>	<b>2.9</b>
Agricultural products .....	1.6	4.2	9.0
Nonagricultural products .....	-1.3	.2	2.3
Foods, feeds, and beverages .....	1.2	3.2	8.5
Industrial supplies and materials .....	.5	6.4	13.1
Capital goods, except automotive .....	-3.7	-3.0	-2.5
Computers, peripherals, and parts .....	-16.1	-10.3	-14.9
Civilian aircraft, engines, and parts .....	2.7	2.9	3.2
Other capital goods .....	-2.2	-2.7	.2
Automotive vehicles, parts, and engines .....	.9	.9	1.3
Consumer goods (nonfood), except automotive .....	1.2	.3	1.4
Exports, n.e.c. ....	-2	.6	3.6
<b>Imports</b> .....	<b>-1.6</b>	<b>.6</b>	<b>2.6</b>
Petroleum and products .....	-9.2	-6.1	11.3
Nonpetroleum products .....	-8	1.2	1.9
Foods, feeds, and beverages .....	-4	8.3	4.8
Industrial supplies and materials, excluding petroleum .....	-8	2.9	8.6
Capital goods, except automotive .....	-4.3	-1.9	-2.0
Computers, peripherals, and parts .....	-14.4	-10.6	-11.9
Civilian aircraft, engines, and parts .....	3.0	2.9	2.5
Other capital goods .....	-1.2	1.0	1.8
Automotive vehicles, parts, and engines .....	1.7	3.3	2.9
Consumer goods (nonfood), except automotive .....	.9	.7	1.6
Imports, n.e.c., and U.S. goods returned .....	.2	1.9	3.0

<sup>P</sup> Preliminary.

**Table H.—Percent Changes in Foreign Currency Cost of U.S. Merchandise Exports**

[Based on index numbers (1992=100)]

	1993 <sup>P</sup>	1994 <sup>P</sup>	1995 <sup>P</sup>
<b>Exports</b> .....	<b>3.0</b>	<b>-0.2</b>	<b>-2.0</b>
Agricultural products .....	5.8	3.3	3.8
Nonagricultural products .....	2.7	-.7	-2.5
Foods, feeds, and beverages .....	5.3	2.3	3.4
Industrial supplies and materials .....	4.6	5.4	7.7
Capital goods, except automotive .....	.2	-3.8	-7.1
Computers, peripherals, and parts .....	-12.7	-11.0	-18.9
Civilian aircraft, engines, and parts .....	6.9	2.0	-1.7
Other capital goods .....	1.8	-3.5	-4.5
Automotive vehicles, parts, and engines .....	5.0	0	-3.5
Consumer goods (nonfood), except automotive .....	5.3	-6	-3.4
Exports, n.e.c. ....	3.9	-3	-1.3

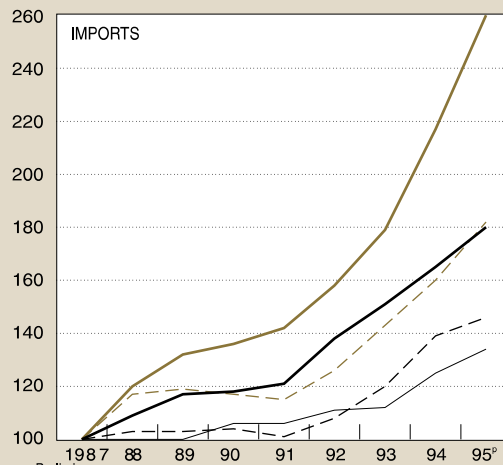
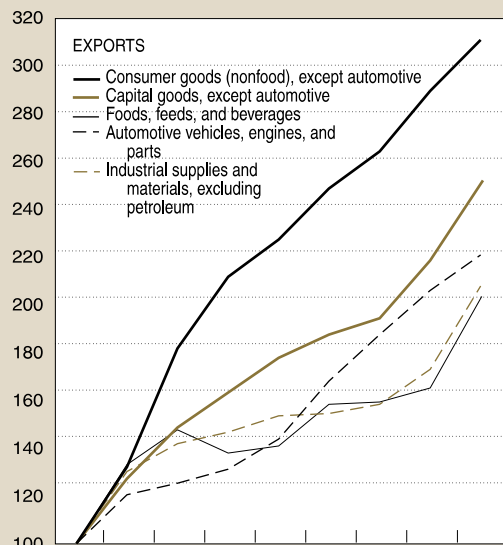
<sup>P</sup> Preliminary.

NOTE.—Chain-weighted price indexes multiplied by trade-weighted exchange rate index of the currencies of 22 OECD countries and 4 newly industrialized countries in the Far East.

**CHART 5**

### Growth in U.S. Merchandise Nonpetroleum Exports and Imports

1987=100



<sup>P</sup> Preliminary

U.S. Department of Commerce, Bureau of Economic Analysis

of coal and petroleum products also increased, following decreases in each of the last 3 years. Although the quantity increase in industrial supplies and materials was significant, much of the rise in the value was attributable to very large price increases—increases that began in mid-1994 and accelerated in 1995. In 1995, price increases for paper and paper-based stocks were 44 percent; for chemicals, 17 percent; for steelmaking materials, 19 percent; for nonferrous metals, 12

percent; and for iron and steel products, 7 percent (tables F and J).

Consumer goods increased \$4.5 billion, or 8 percent, to \$64.5 billion, down from an increase of 10 percent. Quantity increased 6 percent, down from a 9-percent increase. Growth in exports continued to Western Europe, Canada, and Japan, but durable goods shipped to Mexico decreased as a result of the poor economic conditions there.

**Table I.—Capital Goods, except Automotive**

[Balance of payments basis, millions of dollars]

	1991	1992	1993	1994	1995 <sup>P</sup>
<b>Exports</b> .....	<b>166,453</b>	<b>176,070</b>	<b>182,216</b>	<b>205,390</b>	<b>233,315</b>
Computers, peripherals, and parts .....	27,293	28,763	29,317	33,320	39,641
Semiconductors .....	14,348	15,987	19,122	25,178	34,106
Telecommunications equipment .....	10,294	11,450	13,514	16,297	19,805
Scientific, hospital, and medical equipment and parts .....	9,221	9,930	10,569	11,522	13,063
Industrial, agricultural, and service industry machinery .....	25,017	26,291	28,550	32,084	37,289
Machine tools, metalworking equipment, and control instruments .....	9,092	9,836	10,650	12,318	14,210
Oil drilling, mining, and construction machinery .....	9,644	9,620	9,465	10,196	11,504
Industrial engines, pumps, and compressors .....	6,220	6,658	7,506	9,176	10,099
Electric generating machinery, electric apparatus, and parts .....	14,608	15,480	16,959	19,674	22,951
Civilian aircraft, engines, parts .....	36,587	37,725	32,678	31,475	26,178
Other capital goods, n.e.c. ....	4,129	4,330	3,886	4,150	4,469
<b>Imports</b> .....	<b>120,802</b>	<b>134,252</b>	<b>152,366</b>	<b>184,425</b>	<b>221,604</b>
Computers, peripherals, and parts .....	26,000	31,686	38,026	46,160	56,396
Semiconductors .....	13,084	15,475	19,482	26,157	39,130
Telecommunications equipment .....	9,939	10,776	11,275	14,185	15,250
Scientific, hospital, and medical equipment and parts .....	5,040	5,436	5,806	5,965	6,728
Industrial, agricultural, and service industry machinery .....	21,928	23,358	26,150	31,851	36,700
Machine tools, metalworking equipment, and control instruments .....	7,172	7,055	8,040	9,804	12,248
Oil drilling, mining, and construction machinery .....	3,209	2,948	4,313	5,325	5,478
Industrial engines, pumps, and compressors .....	3,264	3,618	4,094	5,758	6,169
Electric generating machinery, electric apparatus, and parts .....	14,260	15,336	17,421	20,029	24,170
Civilian aircraft, engines, parts .....	11,737	12,581	11,275	11,299	10,684
Other capital goods, n.e.c. ....	5,169	5,983	6,484	7,892	8,651

<sup>P</sup> Preliminary.

**Table J.—U.S. Trade in Industrial Supplies and Materials, excluding Agricultural Products**

[Balance of payments basis, millions of dollars]

	1990	1991	1992	1993	1994	1995 <sup>P</sup>
<b>Exports</b> .....	<b>96,912</b>	<b>101,682</b>	<b>101,688</b>	<b>105,002</b>	<b>112,557</b>	<b>135,322</b>
Energy products .....	15,237	15,170	14,364	12,713	12,039	13,725
Chemicals, excluding medicinals .....	27,563	30,444	29,840	30,082	35,136	42,959
Paper and paper base stocks .....	8,399	8,706	9,298	8,483	10,103	14,483
Textile supplies and related materials .....	6,313	6,620	6,809	6,998	8,183	9,277
Building materials, except metals .....	7,585	7,592	8,078	8,751	8,839	9,051
Other nonmetals .....	9,130	9,706	10,302	10,751	11,901	13,389
Metals and nonmetallic products .....	22,685	23,444	22,997	27,224	26,356	32,438
Steelmaking materials and iron and steel products .....	5,587	5,971	5,405	5,443	5,791	8,554
Nonferrous metals .....	11,431	11,145	10,963	14,649	12,279	14,591
Other metals and nonmetallic products .....	5,667	6,328	6,629	7,132	8,286	9,293
<b>Imports</b> .....	<b>141,181</b>	<b>128,708</b>	<b>136,035</b>	<b>147,879</b>	<b>160,140</b>	<b>178,333</b>
Energy products .....	66,534	56,279	56,820	57,390	58,079	61,175
Chemicals, excluding medicinals .....	15,021	15,290	16,872	18,081	21,358	25,532
Paper and paper base stocks .....	9,471	8,450	8,232	8,320	8,930	12,878
Textile supplies and related materials .....	5,656	6,135	6,866	7,550	8,182	8,614
Building materials, except metals .....	7,337	6,825	8,282	10,556	12,602	12,723
Other nonmetals .....	7,087	8,084	9,455	10,331	11,047	12,500
Metals and nonmetallic products .....	30,075	27,645	29,508	35,651	39,942	44,911
Steelmaking materials and iron and steel products .....	13,170	11,904	12,603	13,591	18,377	19,155
Nonferrous metals .....	13,091	12,145	13,228	18,127	16,728	20,253
Other metals and nonmetallic products .....	3,814	3,596	3,677	3,933	4,837	5,503

<sup>P</sup> Preliminary.

Automotive products increased \$2.9 billion, or 5 percent, to \$60.5 billion, down from an increase of 10 percent. Quantity increased 4 percent, down from a 9-percent increase. Shipments of cars increased little; shipments of parts increased about the same amount as in 1994, as an increase in parts to Canada was offset by a decrease in parts to Mexico.

Agricultural products increased \$10.2 billion, or 22 percent, to \$57.2 billion, up sharply from an 8-percent increase. Quantity increased 12 percent, up from a 3-percent increase. Both quantity and price increases were the largest in several years, leading to a record year for exports.

The largest increases in value were in bulk grains (mainly to China, Korea, and other developing countries in Asia), soybeans (mainly to Western Europe, Japan, and the newly industrialized countries), and meat products (mainly to Japan).

Corn exports increased \$3.3 billion, largely to developing countries in Asia and to Japan; this especially strong increase followed 6 years of declines. Quantity increased 59 percent, and the average price rose 17 percent as a result of tight world supplies, due partly to lower U.S. production. In recent years, China has been a leading exporter of corn, but surging Chinese domestic demand reversed this role in 1995 when China imported corn from the United States. In addition, the United States was the beneficiary of the loss of China as a corn supplier to Pacific Rim countries.

Wheat increased \$1.4 billion. Strong foreign demand, coupled with low exportable supplies in other producing countries and a 6-percent drop in U.S. production, led to a 28-percent increase in prices; quantity increased 6 percent.

Soybeans increased \$1.1 billion, or 25 percent: A 27-percent rise in quantity more than accounted for the increase; prices decreased 2 percent.

Cotton increased \$1.1 billion: Prices increased 22 percent and quantity increased 17 percent. The United States had a record crop for export in 1995, which combined with production shortfalls in India, China, Pakistan, and Uzbekistan, left the United States as a primary supplier.

Meat and poultry products increased \$1.2 billion, all in quantity.

**Imports.**—Nonpetroleum imports increased \$77.0 billion, or 13 percent, to \$694.3 billion in 1995, compared with a 15-percent increase in 1994. Quantity increased 9 percent, compared with a 13-percent increase. In value, growth of capital goods remained exceptionally strong and was

augmented by an acceleration in nonpetroleum industrial supplies and materials; these two categories combined accounted for two-thirds of the increase in nonpetroleum imports. Growth of consumer goods was unchanged, and growth of automotive products dropped by two-thirds ([chart 5](#)). One-half of the import growth was from industrial countries, and one-half, from developing countries.

Capital goods increased \$37.2 billion, or 20 percent, to \$221.6 billion, up slightly from a 21-percent increase. Quantity increased 24 percent, the same pace as in 1994. In value, growth was fueled by computers and semiconductors, as U.S. companies, drawing on imported components, participated in a worldwide boom in shipments of these types of equipment; imports increased \$23.2 billion, \$8.4 billion more than in 1994. Other types of equipment increased somewhat less than in 1994. Imports of civilian aircraft were down ([table I](#)).

Nonpetroleum industrial supplies and materials increased \$15.2 billion, or 13-percent, to \$128.8 billion, the same rate of increase as in 1994. Paper and paper-base stocks, chemicals, and metals and nonmetals accounted for most of the increase. Much of the rise in value of these products was attributable to very large price increases—increases that began in late 1994 and accelerated in 1995. In 1995, price increases for paper and paper-base stocks were 38 percent; for nonferrous metals, 17 percent; for steelmaking materials, 13 percent; for steel mill products, 9 percent; and for chemicals, 8 percent. In quantity, supplies and materials slowed to a 5-percent increase from a 9-percent increase ([tables F and J](#)).

Consumer goods increased \$13.7 billion, or 9 percent, to \$160.0 billion, unchanged from a 9-percent increase in each of the last 3 years. Volume increased 8 percent, also unchanged from the increase in each of the last 3 years. Despite the weakening in the U.S. economy, growth of both durable and nondurable goods was maintained.

Automotive products increased \$6.2 billion, or 5 percent, to \$124.5 billion, following a 16-percent increase. Quantity increased 2 percent, down from a 12-percent increase. A 2-percent decline in U.S. new-car sales restrained imports of both cars and parts. In value, imports of cars increased \$3.5 billion, compared with an \$8.9 billion increase: Cars from Japan decreased 10 percent, following an 11-percent increase; the decrease was a major factor holding down the rise in imports of automotive products. Partly offsetting this decrease was an 11-percent increase in cars from

Canada, following a 21-percent increase, and a 48-percent increase in cars from Mexico, following a 28-percent increase. Imports of parts increased \$1.7 billion, compared with a \$6.4 billion increase: Parts from Canada were unchanged, following a 10-percent increase, and parts from Mexico were up 9 percent, following a 27-percent increase. The market share of new-car sales accounted for by domestic nameplates remained at 64 percent, while the Japanese share, including imports and transplants, remained at 31 percent.

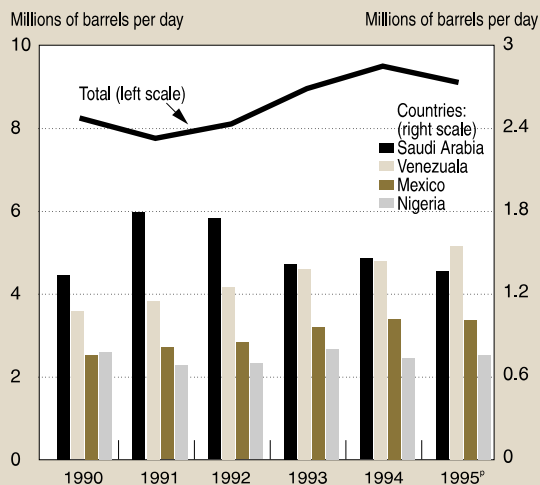
Petroleum imports increased \$3.8 billion, or 7 percent, to \$55.1 billion. The average price per barrel increased to \$16.39 from \$14.72, more than offsetting a decrease in quantity. Quantity fell 4 percent, as the total number of barrels imported daily decreased to 9.21 million from 9.54 million. The number of barrels imported from OPEC remained virtually unchanged from that in both 1994 and 1993, and OPEC's share of imports increased to 47 percent from 46 percent. The quantity of imports from Saudi Arabia, Nigeria, Venezuela, and Mexico was virtually unchanged (chart 6).

U.S. consumption of petroleum and products was virtually unchanged at 17.7 million barrels per day. Domestic production decreased 1 percent, and inventories decreased 5 percent. Imports as a percent of consumption decreased to 52 percent from 54 percent.

**Balances by area.**—As noted earlier, the U.S. merchandise trade deficit increased to \$174.5 billion in 1995 from \$166.1 billion in 1994.

CHART 6

### U.S. Petroleum Imports, Total and From Selected Countries



U.S. Department of Commerce, Bureau of Economic Analysis

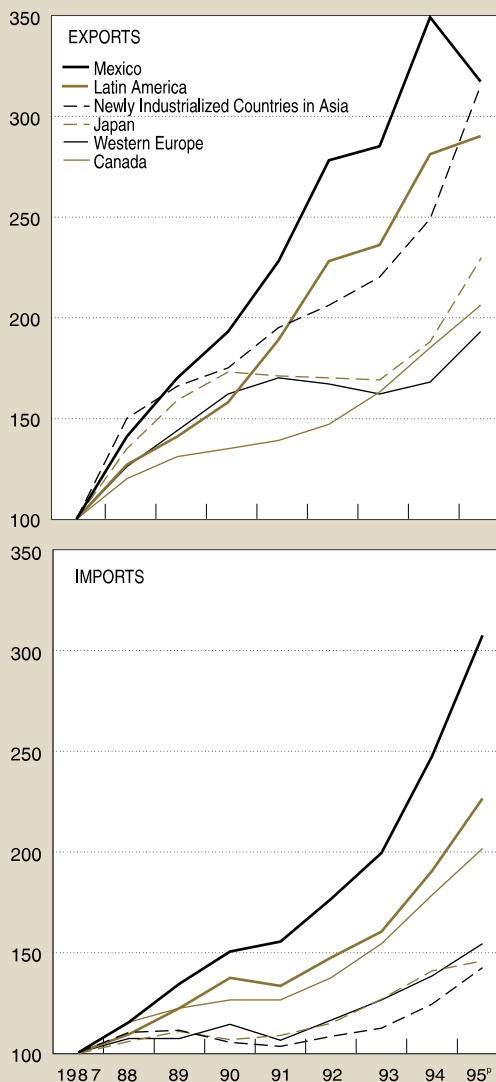
The deficit with Western Europe decreased to \$15.6 billion from \$17.6 billion. Exports of capital goods and of industrial supplies and materials responded strongly to economic growth in Europe, while imports of capital goods and consumer goods were only moderately higher (table K, chart 7).

The deficit with Japan decreased to \$60.6 billion from \$67.3 billion. Especially strong increases in capital goods exports and in industrial supplies exports were combined with a decrease

CHART 7

### Growth in U.S. Merchandise Exports and Imports by Selected Areas and Countries

1987=100



<sup>p</sup> Preliminary

U.S. Department of Commerce, Bureau of Economic Analysis



in automotive products imports and a smaller increase in capital goods imports.

The balance with Latin America shifted to a deficit of \$10.6 billion from a surplus of \$2.6 billion. The shift was more than accounted for by Mexico, as U.S. exports in all commodity categories fell sharply after strong increases in 1994.

The deficit with the developing countries of Asia was virtually unchanged at \$69.8 billion. Strong increases in both capital goods and industrial supplies and materials exports nearly offset a strong increase in capital goods imports.

**Services.**—The surplus on services increased moderately to \$63.1 billion in 1995 from \$59.9 billion in 1994, but the increase, while larger than in 1993–94, was far smaller than the sizable annual advances of 1987–92 (table L).

In 1995, service receipts increased \$10.1 billion, or 5 percent, compared with a 6-percent increase in 1994; the slowdown was largely attributable to a sharp slowing in travel receipts to no growth from a 4-percent increase, which was partly offset by a strong step-up in receipts from royalties and license fees. Service payments increased \$6.9 billion, or 5 percent, compared with a 7-percent increase; the slowdown was largely attributable to a slowing in travel payments to a 4-percent growth rate from a 7-percent rate.

Foreign visitors spent \$60.3 billion for travel in the United States in 1995, down slightly from 1994; spending had increased 4 percent in 1994 and 6 percent in 1993. The decrease was more than accounted for by lower receipts from Mexico and Canada. Receipts from Mexico were \$2.8 billion, down from \$4.9 billion; a decline in the value of the peso from 3.6 to the dollar at yearend 1994 to 7.3 pesos per dollar at yearend

**Table K.—U.S. Merchandise Trade by Major End-Use Category for Selected Areas and Countries**

[Balance of payments basis, millions of dollars]

	Canada			Western Europe			United Kingdom			Germany			Japan		
	1993	1994	1995 <sup>P</sup>	1993	1994	1995 <sup>P</sup>	1993	1994	1995 <sup>P</sup>	1993	1994	1995 <sup>P</sup>	1993	1994	1995 <sup>P</sup>
Exports .....	101,155	114,869	127,589	111,256	115,362	132,205	25,658	25,972	27,994	18,437	18,744	21,852	46,684	51,817	62,894
Agricultural products .....	5,959	6,316	6,609	7,828	7,872	9,796	955	968	1,084	1,073	1,082	1,259	8,753	9,444	11,113
Nonagricultural products .....	95,196	108,553	120,980	103,428	107,490	122,409	24,703	25,004	26,910	17,364	17,662	20,593	37,931	42,373	51,781
Foods, feeds, and beverages .....	5,890	6,167	6,496	6,525	6,494	7,953	848	816	927	834	837	948	9,789	10,347	11,894
Industrial supplies and materials .....	22,173	24,887	28,132	29,627	27,738	34,386	7,666	5,592	6,336	3,505	3,844	4,416	13,129	13,429	15,989
Capital goods, except automotive .....	29,669	35,767	40,716	51,138	55,122	61,505	12,900	14,797	15,696	9,478	9,459	11,695	14,501	17,379	21,769
Automotive vehicles, parts, and engines .....	28,006	31,640	33,141	4,618	5,366	6,148	6,755	1,025	924	1,636	1,581	1,672	2,353	3,406	4,648
Consumer goods (nonfood), except automotive .....	11,037	12,040	13,256	15,649	16,740	17,453	2,905	3,018	3,287	2,419	2,452	2,498	6,352	6,888	7,992
Exports, n.e.c. ....	4,380	4,368	5,848	3,699	3,902	4,760	664	724	824	565	571	623	560	368	602
Imports .....	113,310	131,115	147,870	120,948	132,925	147,786	21,494	24,861	26,716	28,494	31,677	36,761	107,228	119,135	123,494
Petroleum and products .....	7,808	7,826	9,787	4,988	6,357	5,627	2,472	3,313	2,796	174	127	103	44	46	51
Nonpetroleum products .....	105,502	123,289	138,083	115,960	126,568	142,159	19,022	21,548	23,920	28,320	31,550	36,658	107,184	119,089	123,443
Foods, feeds, and beverages .....	5,637	6,274	6,585	5,987	6,625	7,063	843	856	885	546	578	648	367	386	359
Industrial supplies and materials .....	42,690	48,263	55,572	33,652	35,001	36,784	5,941	7,167	6,966	5,869	6,448	7,067	9,419	10,763	11,611
Capital goods, except automotive .....	14,562	18,658	22,187	38,660	43,808	50,173	8,001	9,229	10,121	10,601	12,334	14,720	45,889	53,112	59,411
Automotive vehicles, parts, and engines .....	37,337	42,254	45,082	12,896	14,510	16,446	1,455	1,742	2,190	7,392	8,063	9,161	36,083	40,717	37,950
Consumer goods (nonfood), except automotive .....	5,783	6,686	8,626	24,071	26,638	30,472	3,910	4,383	4,927	2,789	3,084	3,828	13,656	12,381	12,295
Imports, n.e.c., and U.S. goods returned .....	7,301	8,980	9,818	5,682	6,343	6,848	1,344	1,484	1,627	1,297	1,170	1,337	1,814	1,776	1,868
Balance .....	-12,155	-16,246	-20,281	-9,692	-17,563	-15,581	4,164	1,111	1,278	-10,057	-12,933	-14,909	-60,544	-67,318	-60,600
	Latin America			Mexico			Asia, excluding Japan			Hong Kong, Republic of Korea, Singapore, Taiwan			China		
	1993	1994	1995 <sup>P</sup>	1993	1994	1995 <sup>P</sup>	1993	1994	1995 <sup>P</sup>	1993	1994	1995 <sup>P</sup>	1993	1994	1995 <sup>P</sup>
Exports .....	71,387	84,864	87,592	41,478	50,741	46,195	95,623	104,052	129,819	50,080	56,689	71,809	8,732	9,242	11,684
Agricultural products .....	5,900	7,189	6,775	3,654	4,613	3,541	9,033	10,972	16,557	5,072	5,987	8,157	378	1,083	2,637
Nonagricultural products .....	65,487	77,675	80,817	37,824	46,128	42,654	86,590	93,080	113,262	45,008	50,702	63,652	8,354	8,159	9,047
Foods, feeds, and beverages .....	5,022	6,093	5,565	3,117	4,000	2,942	7,516	8,031	12,672	3,958	4,526	6,443	383	391	1,703
Industrial supplies and materials .....	19,045	23,108	26,062	10,869	13,584	13,792	22,276	26,525	34,466	14,069	16,140	20,158	1,908	3,132	4,349
Capital goods, except automotive .....	26,037	31,541	32,896	13,657	17,058	15,946	49,390	53,107	63,757	24,648	28,549	36,045	5,357	5,081	5,033
Automotive vehicles, parts, and engines .....	9,690	10,461	9,602	7,367	8,114	6,864	6,385	5,134	4,950	2,565	2,443	2,346	769	311	161
Consumer goods (nonfood), except automotive .....	9,142	10,720	10,731	4,824	5,870	4,810	8,101	8,977	10,043	4,254	4,726	5,381	217	236	338
Exports, n.e.c. ....	2,451	2,941	2,736	1,644	2,115	1,841	1,955	2,278	3,931	586	305	1,436	98	91	100
Imports .....	69,432	82,223	98,212	40,428	50,053	62,362	150,281	173,481	199,596	64,535	71,363	81,966	31,540	38,787	45,549
Petroleum and products .....	14,444	14,410	16,969	4,896	5,121	5,856	11,375	11,055	10,689	315	309	287	233	329	327
Nonpetroleum products .....	54,988	67,813	81,243	35,532	44,932	56,506	138,906	162,426	188,907	64,220	71,054	81,679	31,307	38,458	45,222
Foods, feeds, and beverages .....	8,519	9,701	11,075	3,038	3,300	4,289	5,162	5,760	5,936	679	701	691	577	548	623
Industrial supplies and materials .....	23,462	25,793	30,941	8,402	9,627	12,078	23,942	25,296	27,396	6,090	6,480	6,737	2,479	3,044	3,831
Capital goods, except automotive .....	9,101	12,505	14,556	8,024	11,228	13,192	42,955	54,850	73,428	28,406	34,807	46,190	3,379	5,178	7,596
Automotive vehicles, parts, and engines .....	12,282	15,627	19,702	11,377	14,644	18,643	3,505	4,850	5,035	2,441	3,266	3,300	290	518	635
Consumer goods (nonfood), except automotive .....	13,511	15,491	18,337	7,546	8,936	11,220	72,422	79,971	84,641	25,618	24,685	23,444	24,520	29,172	32,494
Imports, n.e.c., and U.S. goods returned .....	2,557	3,106	3,601	2,041	2,318	2,940	2,295	2,754	3,160	1,301	1,424	1,604	295	327	370
Balance .....	1,955	2,641	-10,620	1,050	688	-16,167	-54,658	-69,429	-69,777	-14,455	-14,674	-10,157	-22,808	-29,545	-33,865

1995 and a weak Mexican economy severely restrained Mexican travel to both the border and interior regions of the United States. Receipts from Canada were \$6.1 billion, down from \$6.3 billion. The number of Canadian visitors was down 4 percent, or 2 million visitors. Receipts from overseas were \$51.4 billion in 1995, up from \$49.3 billion. Although moderate economic growth overseas continued and foreign currencies appreciated against the U.S. dollar in 1995, growth in the number of visitors slowed further, to 2 percent from 3 percent in 1994 and 5 percent in 1993.

U.S. travel payments increased to \$45.5 billion in 1995, up 4 percent, following increases of 7 percent in 1994 and 6 percent in 1993. Travel payments overseas accounted for much of the slowdown, as the number of travelers increased only 3 percent, down from an 8-percent increase in 1994 and a 7-percent increase in 1993. Payments to Canada increased 10 percent to \$4.3 billion, as the number of travelers increased 7 percent, or 2.4 million. Payments to Mexico decreased 2 percent to \$5.0 billion, in spite of increased travel to the interior.

"Other" transportation receipts were \$28.6 billion in 1995, up 10 percent, following a 9-percent increase in 1994. Two successive years of strong growth in receipts reflected the substantial demand overseas for U.S. goods. The increase in demand had the greatest impact on ocean export tonnage, which led to substantial increases in ocean freight and ocean port services. Air freight also remained strong, but after several years of increasing market share at the expense of foreign airlines, U.S. airlines' share of the air export market fell in 1995.

"Other" transportation payments were \$29.5 billion in 1995, a 4-percent increase, following a 7-percent increase in 1994. A decrease in U.S. imports in the second half of the year resulted in only modest increases in ocean and air import tonnages and in related payments; ocean freight payments slowed more than air freight payments.

Royalties and license fees receipts increased \$3.4 billion, to \$25.9 billion, mostly from Western Europe; this year was the second consecutive year of strong increases.

"Other" private service receipts were \$62.5 billion, up from \$59.0 billion, but the increase slowed to 5 percent from 7 percent. Education and financial services increased at about the same pace as in 1994, but business, professional, and technical services slowed.

"Other" private service payments were \$38.1 billion, up from \$35.6 billion, but the increase slowed to 6 percent from 11 percent. Growth in nearly all categories slowed from 1994.

Transfers under U.S. military sales contracts, at \$12.7 billion in 1995, changed little for the third consecutive year. Transfers rose in some categories and fell in others; large increases in foreign military sales to Saudi Arabia, Taiwan, Kuwait, and Japan were nearly offset by decreases in sales to Turkey, Israel, and the United Kingdom. With most F-16 delivery programs to Western Europe completed in 1994, deliveries in 1995 were mostly to countries in the Asia and Pacific region.

Direct defense expenditures abroad were \$9.9 billion in 1995, down from \$10.3 billion in 1994. This year was the first time expenditures have fallen below \$10.0 billion since 1979. The total number of troops stationed in foreign countries decreased to 241,000 by mid-1995, down 37,000 from mid-1994, to the lowest level since the end of World War II. This troop reduction, confined mostly to Western Europe, completed the drawdown of troops that began in 1991.

Table L.—Services

[Millions of dollars, quarters seasonally adjusted]

	1993	1994	1995 <sup>P</sup>	1995			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>
<b>Exports</b> .....	<b>187,755</b>	<b>198,716</b>	<b>208,828</b>	<b>51,071</b>	<b>51,692</b>	<b>52,755</b>	<b>53,311</b>
Travel .....	57,875	60,406	60,278	15,187	15,016	14,751	15,323
Passenger fares .....	16,611	17,477	18,213	4,509	4,523	4,506	4,675
Other transportation .....	23,983	26,078	28,553	6,923	7,122	7,222	7,287
Royalties and license fees .....	20,637	22,436	25,852	6,291	6,504	6,622	6,435
Other private services .....	55,101	59,022	62,488	14,976	15,345	16,042	16,125
Affiliated services .....	16,191	17,215	18,358	4,300	4,444	4,909	4,706
Unaffiliated services .....	38,910	41,807	44,129	10,676	10,901	11,133	11,419
Education .....	6,732	7,140	7,582	1,843	1,859	1,951	1,929
Financial .....	6,606	6,962	7,673	1,623	1,862	1,950	2,239
Insurance .....	1,380	1,640	1,790	440	446	451	453
Telecommunications .....	2,784	2,757	2,729	684	683	682	681
Business, professional, and technical .....	13,294	14,813	15,556	3,861	3,873	3,917	3,906
Other .....	8,113	8,495	8,800	2,226	2,180	2,184	2,211
Military transactions <sup>1</sup> .....	12,650	12,418	12,674	2,997	3,047	3,369	3,261
U.S. Government receipts .....	899	880	771	188	135	243	205
<b>Imports</b> .....	<b>129,979</b>	<b>138,829</b>	<b>145,777</b>	<b>35,516</b>	<b>36,379</b>	<b>36,736</b>	<b>37,150</b>
Travel .....	40,713	43,562	45,496	11,051	11,515	11,162	11,768
Passenger fares .....	11,313	12,696	13,385	3,231	3,378	3,335	3,442
Other transportation .....	26,558	28,373	29,505	7,320	7,421	7,502	7,263
Royalties and license fees .....	4,863	5,666	6,561	1,535	1,614	1,712	1,701
Other private services .....	31,999	35,605	38,148	9,186	9,360	9,846	9,757
Affiliated services .....	10,606	11,602	13,385	3,170	3,229	3,492	3,497
Unaffiliated services .....	21,394	24,003	24,761	6,016	6,131	6,354	6,260
Education .....	753	791	834	204	208	210	213
Financial .....	5,558	6,835	6,943	1,614	1,636	1,850	1,843
Insurance .....	3,107	3,405	3,533	903	918	929	784
Telecommunications .....	6,193	6,828	7,192	1,772	1,807	1,802	1,811
Business, professional, and technical .....	4,046	4,227	4,272	1,045	1,067	1,077	1,083
Other .....	1,736	1,916	1,986	478	496	487	526
Direct defense expenditures <sup>2</sup> .....	12,202	10,270	9,864	2,455	2,460	2,480	2,469
U.S. Government payments .....	2,331	2,657	2,818	738	631	699	750

<sup>r</sup> Revised.<sup>P</sup> Preliminary.

1. Consists of goods and services transferred under U.S. military agency sales contracts that cannot be separately identified.

2. Consists of imports of goods and services by U.S. defense agencies that cannot be separately identified.

### Investment income

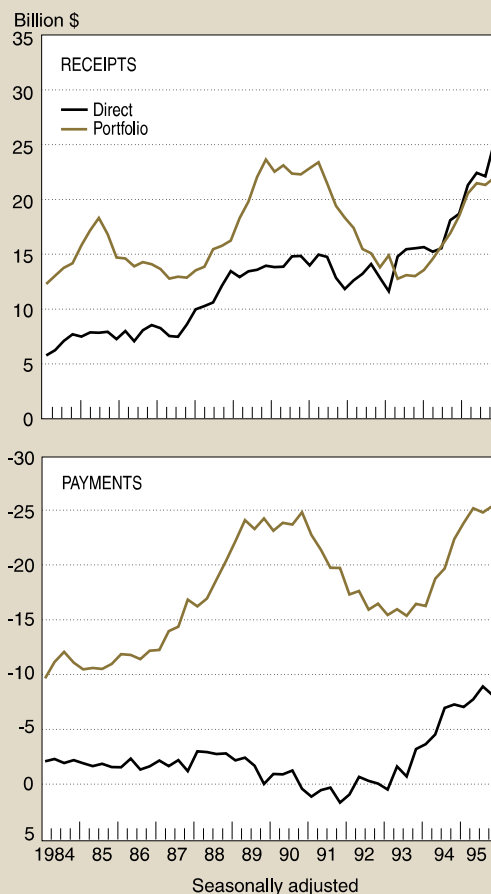
The deficit on investment income increased to \$11.4 billion in 1995 from \$9.3 billion in 1994 (table D). Both direct and portfolio income receipts increased substantially, as did portfolio income payments. Direct investment payments increased considerably, but not as much as in 1994.

**Direct investment income.**—Receipts of income on U.S. direct investment abroad were \$91.2 billion in 1995, compared with \$67.7 billion in 1994 (table M, chart 8). Earnings were especially strong for Western Europe as well as for the Asia and Pacific region. Exceptionally rapid growth occurred in earnings of affiliates of U.S. parents with operations in petroleum, chemicals, and computer and semiconductor manufacturing in Europe and in finance and wholesale trade affiliates in the Pacific Rim (chart 9). Earnings in these geographic areas have been boosted over the past several years by large capital flows that have greatly expanded the size of investments, including exceptionally large acquisitions that took place throughout 1995.

Payments of income on foreign direct investment in the United States were \$32.1 billion in 1995, compared with \$22.6 billion in 1994 (table M, chart 8). Earnings reflected solid year-to-year growth in nearly all industries (but especially in chemicals, wholesale trade, "other industries," and petroleum) by affiliates of parents from nearly all geographic areas. However, the increase was smaller than in 1994 (chart 10).

### CHART 8

#### Private Investment Income



U.S. Department of Commerce, Bureau of Economic Analysis

### Table M.—Direct Investment Income and Capital

[Millions of dollars, quarters seasonally adjusted]

(Credits +; debits -)	1993	1994	1995 <sup>P</sup>	1995			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>
<b>Income</b>							
Income receipts on U.S. direct investment abroad .....	61,579	67,702	91,195	21,352	22,476	22,151	25,215
Distributed earnings .....	28,390	31,065	30,048	7,176	7,931	8,122	6,819
Reinvested earnings .....	31,492	34,718	58,886	13,606	13,937	13,503	17,840
Interest .....	1,697	1,919	2,261	571	609	526	556
Income payments on foreign direct investment in the United States .....	-5,250	-22,621	-32,062	-7,100	-7,795	-8,972	-8,196
Distributed earnings .....	-8,478	-7,394	-10,175	-1,784	-2,609	-3,424	-2,358
Reinvested earnings .....	9,317	-7,594	-13,548	-3,306	-2,954	-3,454	-3,834
Interest .....	-6,090	-7,633	-8,338	-2,009	-2,233	-2,093	-2,004
<b>Capital</b>							
U.S. direct investment abroad (increase/capital outflow (-)) .....	-72,601	-49,370	-96,897	-22,616	-17,241	-16,162	-40,878
Equity capital .....	-22,265	-11,698	-41,617	-5,308	1,631	-8,026	-29,913
Reinvested earnings .....	-31,492	-34,718	-58,886	-13,606	-13,937	-13,503	-17,840
Intercompany debt .....	-18,845	-2,954	3,607	-3,702	-4,934	5,367	6,876
Foreign direct investment in the United States (increase/capital inflow (+)) .....	41,108	49,448	74,701	17,225	12,866	23,669	20,942
Equity capital .....	26,742	32,367	48,241	13,643	8,012	11,419	15,167
Reinvested earnings .....	-9,317	7,594	13,548	3,306	2,954	3,454	3,834
Intercompany debt .....	23,682	9,487	12,912	276	1,900	8,796	1,941

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

**Portfolio investment income.**—Receipts of income on “other” private investment increased to \$85.5 billion in 1995 from \$65.8 billion in 1994; the record is \$91.5 billion in 1989 ([table N, chart 8](#)). The increase was mostly due to higher receipts on bank and nonbank claims, attributable largely to interest rates that averaged 150 basis points higher in 1995 than in 1994.

Receipts of income on U.S. Government assets increased to \$4.6 billion in 1995 from \$4.1 billion in 1994 ([table O](#)).

Payments of income on “other” private investment increased to a record \$99.4 billion in

1995, up from \$77.3 billion in 1994; the previous record was \$95.7 billion in 1990 ([table N, chart 8](#)). The increase was mostly due to higher payments on bank and nonbank liabilities that

**Table N.—Other Private Income**

[Billions of dollars]

	1993	1994	1995 <sup>P</sup>
<b>Receipts</b> .....	<b>52.6</b>	<b>65.8</b>	<b>85.5</b>
Dividends .....	6.1	7.4	9.0
Interest on bonds .....	17.0	20.9	22.1
Interest on bank claims .....	19.9	25.5	36.7
Interest on other claims <sup>1</sup> .....	9.6	12.0	17.7
<b>Payments</b> .....	<b>63.4</b>	<b>77.3</b>	<b>99.4</b>
Dividends .....	9.8	10.5	11.2
Interest on bonds .....	24.3	26.3	29.1
Interest on bank liabilities .....	21.5	30.2	44.8
Interest on other liabilities <sup>1</sup> .....	7.8	10.3	14.3

<sup>P</sup> Preliminary.

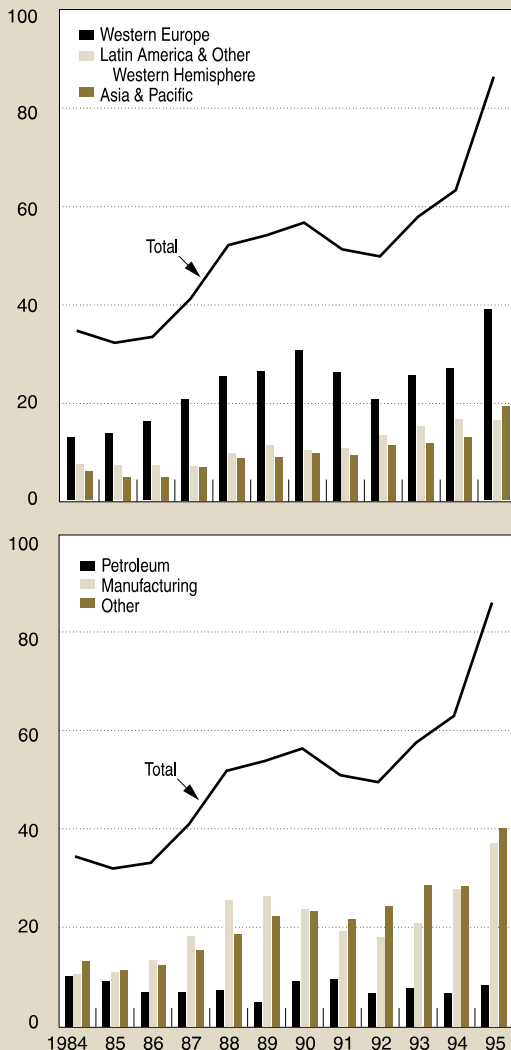
<sup>1</sup> Primarily income of business concerns other than banks.

NOTE.—Excludes direct investment income receipts and payments.

## CHART 9

### Earnings on U.S. Direct Investment Abroad

Billion \$



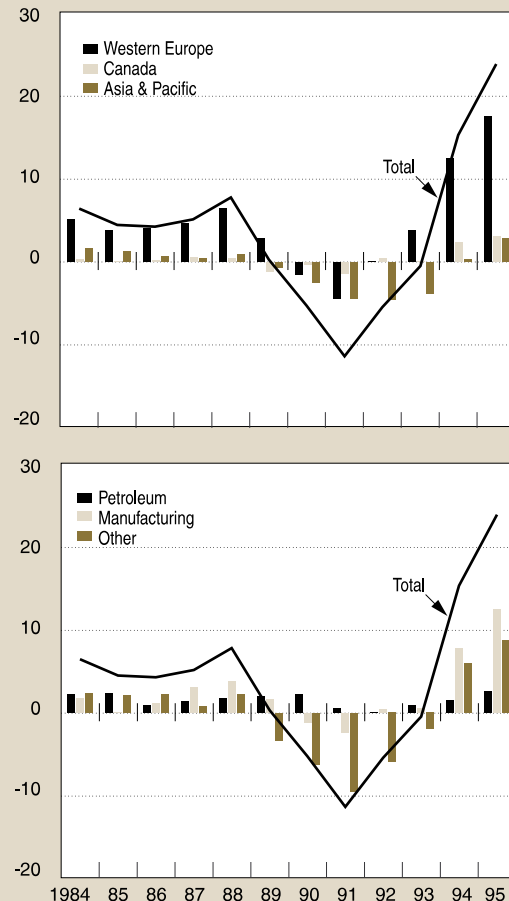
NOTE.—To be consistent with earnings by area and by industry, total earnings are shown in this chart without the current-cost adjustment and after deduction of withholding taxes, the only basis on which area and industry data are available.

U.S. Department of Commerce, Bureau of Economic Analysis

## CHART 10

### Earnings on Foreign Direct Investment in the United States

Billion \$



NOTE.—To be consistent with earnings by area and by industry, total earnings are shown in this chart without the current-cost adjustment and after deduction of withholding taxes, the only basis on which area and industry data are available.

U.S. Department of Commerce, Bureau of Economic Analysis

were attributable largely to interest rates that averaged 145 basis points higher in 1995 than in 1994; the rise in rates more than offset a sharp slowing in the increase in outstanding liabilities. In addition, a strengthening in foreign purchases for U.S. corporate bonds led to higher interest payments on bonds.

Payments of income on U.S. Government liabilities increased to \$61.3 billion in 1995 from \$47.0 billion in 1994. The increase was attributable both to exceptionally large purchases of U.S. Treasury securities and to interest rates that averaged 60 basis points higher in 1995 than in 1994 (table O).

### Unilateral transfers

Net unilateral transfers were \$30.1 billion in 1995, compared with \$35.8 billion in 1994. Much of the decrease was attributable to U.S. Government grants, which fell to \$11.0 billion from \$15.8 billion (table O). Disbursements for many programs and countries decreased as a result of temporary expenditure constraints imposed during congressional budget negotiations in late 1995. Unlike in the past several years, Israel received only \$0.6 billion of a scheduled \$3.0 billion in economic support funds and funds for financing military purchases during the fourth quarter. (Much of the shortfall for Israel was made up during the first quarter of 1996). Disbursements for debt forgiveness fell \$0.7 billion.

## Capital Account

Net recorded capital inflows—that is, net changes in U.S. assets abroad less net changes in foreign assets in the United States—were \$146.2 billion in 1995, compared with \$165.5 billion in 1994. In 1995, increases in U.S. assets abroad and in foreign assets in the United States both accelerated sharply.

### U.S. assets abroad

U.S. assets abroad increased \$280.1 billion in 1995, compared with an increase of \$125.9 billion in 1994. Most of the step-up was accounted for by a large shift to outflows for U.S. claims on foreigners reported by U.S. banks and by sharply higher outflows for net U.S. purchases of foreign securities and for U.S. direct investment abroad.

*U.S. official reserve assets.*—U.S. official reserve assets increased \$9.7 billion in 1995, in contrast to a decrease of \$5.3 billion in 1994. An increase in foreign currency holdings accounted for much of the increase in 1995 (table C).

Foreign currency holdings increased \$6.5 billion. The increase was more than accounted for by the acquisition of \$11.8 billion in Mexican pesos under existing short-term swap arrangements and newly established medium-term swap arrangements. The short-term borrowings were repaid and renewed as new credits several times during the year, and there was a net repayment in the fourth quarter. No repayments are due

Table O.—Selected U.S. Government Transactions

(Millions of dollars)

	1993	1994	1995 <sup>P</sup>	1995			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
U.S. Government grants .....	-16,311	-15,814	-11,027	-2,867	-2,284	-2,942	-2,934
Disbursed .....	-16,314	-15,815	-11,027	-2,867	-2,284	-2,942	-2,934
For debt forgiveness .....	-667	-1,088	-434	(*)		-433	
Other disbursements .....	-15,647	-14,727	-10,593	-2,867	-2,284	-2,509	-2,934
Received .....	3	1					
For Defense Cooperation Account .....	2						
Other receipts .....	1	1					
U.S. Government credits and other long-term assets .....	-6,299	-5,182	-4,744	-1,578	-813	-1,193	-1,160
For debt rescheduling .....	-2,096	-1,302	-997	-788	-122	-14	-73
Other disbursements .....	-4,203	-3,880	-3,747	-790	-691	-1,179	-1,087
Repayments of U.S. Government credits and other long-term assets .....	6,270	5,044	4,352	1,043	647	1,711	951
From debt rescheduling .....	701	210	145	69	17	9	50
From debt forgiveness .....	667	1,086	408	(*)		408	
Other repayments .....	4,901	3,748	3,800	973	630	1,295	901
U.S. Government receipts of income .....	5,108	4,082	4,595	1,309	1,125	1,065	1,096
From debt rescheduling .....	293	192	100	61	12	4	22
From debt forgiveness .....		2	26	(*)		26	
Other receipts .....	4,815	3,887	4,469	1,248	1,114	1,034	1,074
U.S. Government payments of income .....	-41,561	-47,019	-61,279	-14,239	-15,061	-15,807	-16,172

(\*) Less than \$500,000 (±).

<sup>P</sup> Revised.

<sup>r</sup> Preliminary.



on the medium-term arrangement until mid-1997. The medium-term arrangement contains a maintenance-of-value provision that requires repayment of the full amount of the dollar value of the indebtedness regardless of the peso to dollar exchange rate at the time of repayment.

The acquisitions of Mexican pesos were partly offset by intervention sales in exchange markets of \$6.5 billion of German marks and Japanese yen. Sales of \$5.0 billion in the March-May period and of \$1.5 billion in the July-August period were coordinated with foreign monetary authorities.

The U.S. reserve position in the International Monetary Fund (IMF) increased \$2.5 billion. The increase had the effect of providing U.S. dollar funding to the IMF as part of the IMF's financial assistance to Mexico and Russia.

*U.S. Government assets other than official reserve assets.*—Among these assets, U.S. Government credits and other long-term assets increased \$4.7 billion in 1995, down from an increase of \$5.2 billion in 1994. New credit disbursements were \$0.2 billion lower than in 1994, and the rescheduling of direct loans, guarantee claims, and interest was \$0.3 billion lower (table O).

U.S. Government short-term assets decreased slightly. Acquisitions from U.S. banks of outstanding claims on the former Soviet Union under credit guarantee programs, and their consolidation and rescheduling as a new U.S. Government long-term credit, were \$0.6 billion, one-half the amount in 1994.

*Claims reported by banks.*—U.S. claims on foreigners reported by U.S. banks increased \$59.0 billion in 1995, in contrast to a decrease of \$1.0 billion in 1994 (tables P and Q).

Banks' own claims payable in dollars increased \$41.4 billion, in contrast to a decrease of \$6.3 billion. In 1995, a major share of the increase in claims was related to lending to international bond mutual funds in Caribbean banking centers; the lending was largely in the form of resale agreements to finance an unprecedented surge in purchases of U.S. Treasury securities.

In other developments, *U.S.-owned* banks' interbank claims decreased \$10.3 billion, mostly on affiliated banking offices in Western Europe. The decrease reflected several factors: International capital markets continued to draw borrowers away from traditional bank financing, U.S. banks remained reluctant to compete in markets where margins had been greatly reduced by competition in recent years (including the syndicated loan market in which borrowing was especially strong in 1995), and U.S. banks showed little inclination to participate in the merger and acquisition boom that was taking place in Europe. In contrast, *foreign-owned* banks' interbank claims increased \$15.8 billion: Claims, mostly of European-owned banks in the United States on affiliated banking offices in Western Europe, increased \$29.3 billion, as these banks provided a sizable volume of funds to the banking and capital markets; claims, mostly of Japanese-owned banks in the United States on unaffiliated banking offices, de-

Table P.—Private Capital Flows, Net

[Billions of dollars]

Claims (increase/capital outflow (-)); (increase/capital inflow (+))	1993	1994	1995 <sup>P</sup>	1995			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
<b>Private capital flows</b> .....	<b>-6.5</b>	<b>121.0</b>	<b>45.9</b>	<b>2.6</b>	<b>-10.9</b>	<b>51.4</b>	<b>2.8</b>
Bank-reported capital, net <sup>1</sup> .....	50.8	115.3	-39.1	-29.8	-27.7	-6.9	25.4
U.S. claims .....	29.9	.9	-59.0	-29.3	-40.0	14.6	-4.4
U.S. liabilities <sup>1</sup> .....	20.9	114.4	19.9	-5	12.2	-21.6	29.8
Securities, net .....	-37.9	42.6	99.9	39.2	29.1	34.2	-2.6
Net U.S. purchases of foreign securities .....	-141.8	-49.8	-93.8	-6.6	-21.7	-34.0	-31.5
Stocks .....	-60.5	-42.7	-47.2	-3.2	-9.3	-21.0	-13.8
Bonds .....	-81.3	-7.1	-46.5	-3.4	-12.5	-13.0	-17.7
Net foreign purchases of U.S. securities .....	103.9	92.4	193.7	45.7	50.9	68.2	28.9
U.S. Treasury securities .....	24.1	33.8	99.1	29.9	30.3	37.2	1.7
Other than U.S. Treasury securities .....	79.9	58.6	94.6	15.8	20.5	31.0	27.2
Stocks .....	18.6	3.0	12.8	-3.9	1.9	4.8	9.9
Bonds .....	61.2	55.6	81.8	19.7	18.6	26.2	17.3
Direct investment, net .....	-31.5	0	-22.2	-5.4	-4.3	7.5	-20.0
U.S. direct investment abroad .....	-72.6	-49.4	-96.9	-22.6	-17.2	-16.2	-40.9
Foreign direct investment in the United States .....	41.1	49.4	74.7	17.2	12.9	23.7	20.9
Nonbank-reported capital, net .....	12.1	-36.9	n.a.	-1.4	-8.0	16.6	n.a.
U.S. claims .....	1.6	-32.6	n.a.	-11.5	-18.5	9.7	n.a.
U.S. liabilities .....	10.5	-4.3	n.a.	10.1	10.5	6.9	n.a.

n.a. Not available.

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

1. Liabilities exclude U.S. Treasury securities.

creased \$13.5 billion, partly in response to the funding difficulties encountered by Japanese financial institutions in the last 4 months of the year.

Banks' own claims payable in foreign currencies increased \$14.9 billion, in contrast to a \$6.2 billion decrease. The increase in 1995 was mostly in the first half of the year, when the dollar fell sharply in exchange markets.

Banks' domestic customers' claims increased \$2.8 billion, compared with an \$11.6 billion increase. In 1995, customers withdrew deposits in the second half of the year, largely from Japanese banks in Caribbean banking centers.

**Foreign securities.**—Net U.S. purchases of foreign securities were \$93.8 billion in 1995, nearly double the \$49.8 billion in 1994 but well below the record of \$141.8 billion in 1993. Net U.S. purchases of foreign bonds accounted for most of the surge (table P, chart 11).

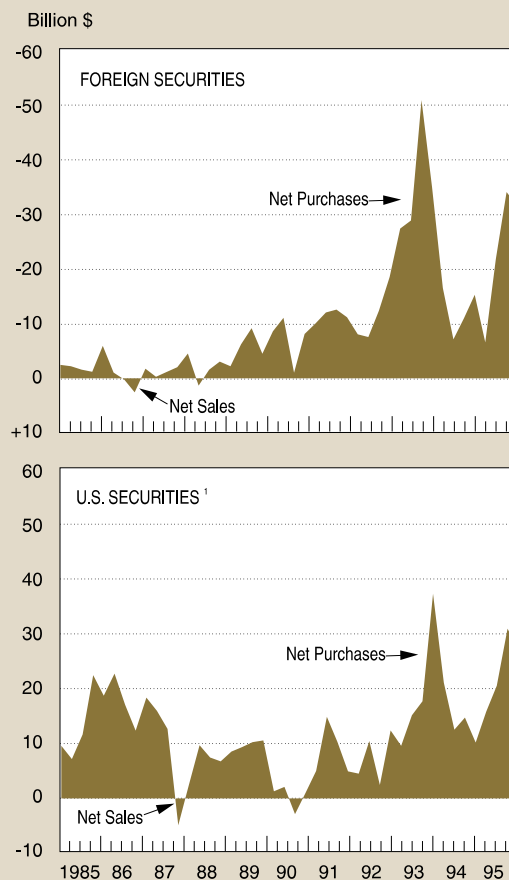
Net U.S. purchases of foreign bonds recovered sharply to \$46.5 billion, compared with only \$7.1 billion in 1994, but were well below the record of \$81.3 billion in 1993. Most of the recovery was attributable to transactions in outstanding bonds, particularly those in the London market where net purchases were \$12.6 billion, compared with net sales of \$30.5 billion in 1994. British long-term bond prices rose throughout most of the year, yields on British gilt-edged bonds averaged 115 basis points higher than comparable U.S. rates, and the dollar to pound exchange rate was relatively stable throughout the year. Net purchases from Japan were \$5.2 billion, compared with \$2.7 billion. Rising prices in the first half of the year offered substantial gains for U.S. institu-

tions, although the Japanese yen's decline in the second half eroded much of the gains.

Foreign new bond issues placed in the United States were \$39.4 billion, down from \$48.2 billion

CHART 11

## Securities Transactions



1. Excludes marketable U.S. Treasury bonds and notes.

U.S. Department of Commerce, Bureau of Economic Analysis

Table Q.—U.S. Bank-Reported Claims and Liabilities by Type

[Billions of dollars]

	1993	1994	1995 <sup>r</sup>	1995			
				I	II	III <sup>r</sup>	IV <sup>p</sup>
<b>Claims on foreigners reported by U.S. banks (increase/capital outflow (-))</b>	<b>29.9</b>	<b>0.9</b>	<b>-59.0</b>	<b>-29.3</b>	<b>-40.0</b>	<b>14.6</b>	<b>-4.4</b>
Banks' claims for own accounts, payable in dollars:							
Own foreign offices	17.6	4.0	-19.6	-9.0	-8.5	3.6	-5.7
Unaffiliated banks	10.9	-11.2	14.1	6.1	-6.8	5.2	9.6
Public borrowers and other foreigners	-14.7	13.5	-35.9	-6.1	-12.9	-2.1	-14.8
Banks' claims for domestic customers' accounts, payable in dollars	13.6	-4.9	-5.9	-8.3	-5.7	-3.6	11.7
Claims payable in foreign currencies	2.5	-5	-11.8	-12.0	-6.1	11.5	-5.2
<b>Liabilities to foreigners reported by U.S. banks (excluding U.S. Treasury securities) (increase/capital inflow (+))<sup>1</sup></b>	<b>20.9</b>	<b>114.4</b>	<b>19.9</b>	<b>-5</b>	<b>12.2</b>	<b>-21.6</b>	<b>29.8</b>
Banks' liabilities for own accounts, payable in dollars:							
Own foreign offices	-14.3	78.3	-5.2	.1	-2.4	-8.3	5.4
Unaffiliated banks	15.3	12.9	1.3	-2.7	3.1	-10.1	11.0
Other private foreigners and international financial institutions	3.0	11.4	5.1	-5.2	5.4	4.8	.1
Banks' custody liabilities, payable in dollars	11.6	.3	-3.5	.5	-3.7	-3.4	3.1
Liabilities payable in foreign currencies	5.3	11.5	22.2	6.8	9.8	-4.6	10.2

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

1. Excludes liabilities to foreign official agencies.

in 1994 and a high of \$60.9 billion in 1993. Adverse repercussions from the Mexican peso crisis in December 1994 led to substantial declines in new bond issues from Latin America and Asia in the first half of the year, when investors placed prohibitive risk premiums on issues by borrowers from emerging countries. These repercussions probably also raised risk premiums on weaker Western European issuers and held down their new issues. New issue activity recovered for most borrowers, especially Asian borrowers, in the second half of the year, when borrowing returned to about the same level as in the last half of 1994. Maturities lengthened in 1995, as issuers took advantage of a decline of 250 basis points in interest rates during the year; 28 percent of placements in 1995 mature in over 10 years, up from 24 percent in 1994. Private corporations placed about the same amount of issues in both years; Government issues plummeted in 1995, largely because of a reduction in placements by emerging market countries.

Net U.S. purchases of foreign stocks were \$47.2 billion, up from \$42.7 billion. The increase was more than accounted for by stepped-up purchases from the United Kingdom and Japan. Net purchases from Western Europe were \$14.3 billion, up from \$6.0 billion, fueled partly by the continued strong push of U.S. pension and mutual funds into foreign portfolio acquisitions and encouraged by sizable advances in stock prices in most European countries. Net purchases from Japan were \$18.6 billion, up from \$13.5 billion; purchases in the last half of the year were spurred by a 21-percent rebound in Japanese stock prices despite a lagging Japanese economy and by strong appreciation of the dollar against the yen. Net purchases in markets of emerging countries recovered somewhat; purchases in Asian markets were slightly higher, at \$6.9 billion, than in 1994, and purchases in Latin American markets were double, at \$2.0 billion, those in 1994.

**Direct investment.**—Net capital outflows for U.S. direct investment abroad were a record \$96.9 billion in 1995, compared with \$49.4 billion in 1994; the previous record was \$72.6 billion in 1993. Record net outflows were attributable to both strong equity outflows for acquisitions and strong reinvested earnings (table M).

Equity capital outflows increased to \$41.6 billion from \$11.7 billion, as U.S. parents were major contributors to the boom in acquisitions and mergers that swept Western Europe. Two industry-specific factors drove some of the largest deals. First, pharmaceutical manufactur-

ers sought global partners to realize economies of scale in research and marketing efforts, partly under the stimulus of pressures from governments and big customers to hold down prices; consolidations in this industry have been ongoing for several years. Second, electric utility companies took advantage of recent privatizations of Australian and British electricity distributors, seeking geographic diversification and less regulated markets. Large acquisitions also took place in financial services, communications, investment banking, and paper in 1995.

Reinvested earnings increased to \$58.9 billion from \$34.7 billion, reflecting both strong earnings and an increase in the share of earnings reinvested.

Intercompany debt shifted to inflows of \$3.6 billion from outflows of \$3.0 billion.

### *Foreign assets in the United States*

Foreign assets in the United States increased \$426.3 billion in 1995, compared with an increase of \$291.4 billion in 1994. Increases in foreign official assets were sharply higher, as were net foreign purchases of U.S. Treasury securities, net foreign purchases of U.S. securities other than U.S. Treasury securities, and foreign direct investment inflows to the United States.

**Foreign official assets.**—Foreign official assets in the United States increased a record \$110.5 billion in 1995, following a \$39.4 billion increase in 1994; the previous record was \$72.1 billion in 1993 (table C). Much of the increase in 1995 was by developing countries, whose assets increased by much larger amounts than in 1994.

Dollar assets of developing countries increased \$87.2 billion in 1995, compared with an increase of \$9.6 billion. Countries that made substantial additions to their holdings of dollar assets in 1995 came from highly varied economic situations: Several Eastern European countries restructured their economies and trade relationships after the dissolution of the former Soviet Union; several Latin American countries partially reestablished their trade and financial standings after the Mexican peso crises at the end of 1994; and several Asian countries, either through internal economic change or successful commercial ventures, continued to accumulate large amounts of dollar reserves. Dollar assets of industrial countries increased less strongly in 1995 than in 1994, \$23.3 billion, compared with an increase of \$29.8 billion.

**Liabilities reported by banks.**—U.S. liabilities reported by U.S. banks, excluding U.S. Treasury securities, increased \$19.9 billion, compared with an increase of \$114.4 billion in 1994 (tables P and Q).

Banks' own liabilities payable in dollars increased \$1.2 billion, compared with an increase of \$102.6 billion. Part of the especially large decline in inflows was attributable to a shift by foreigners to higher yielding Treasury securities as bond prices rose. Part was also attributable to the rapid deceleration in growth of domestic bank credit that accompanied the slowdown in the U.S. economy and greatly curtailed the need for U.S. banks to borrow funds from abroad. This environment contrasts sharply with that in 1994, when U.S. banks borrowed heavily to finance credit expansion both in the United States and abroad.

**Foreign-owned banks** increased their interbank liabilities \$11.6 billion, mostly to related offices in Japan and other Asia. Sharp appreciation of the dollar against the yen in the second half of the year and the imposition of risk premiums on interbank borrowing of Japanese institutions in the September-December period required Japanese-owned branches in the United States to borrow funds from parent offices in Japan to pay down positions with unaffiliated banks abroad. *U.S.-owned banks* reduced their interbank liabilities

\$15.5 billion, largely to affiliated offices in Western Europe and Caribbean banking centers.

Banks' own liabilities payable in foreign currencies increased \$22.2 billion, compared with an increase of \$11.5 billion. Most of the increase in 1995 was with U.S. offices of foreign banks, whose foreign currency liabilities and claims with parent banks in Europe and Japan both increased by sizable amounts.

**U.S. Treasury securities.**—Net foreign purchases of U.S. Treasury securities were a record \$99.1 billion in 1995, up from \$33.8 billion in 1994; the previous record was \$36.9 billion in 1992. Foreign investors shifted from short-term dollar assets, particularly bank deposits, to Treasury bonds as bond prices rose 11 percent in a year-long rally and the yield curve flattened throughout the year. Prices rose in all major world bond markets, but

**Table R.—New International Bond Issues by U.S. Borrowers**

[Millions of dollars]

	1993	1994	1995 <sup>a</sup>	1995			
				I	II	III <sup>b</sup>	IV <sup>b</sup>
<b>Total</b> .....	<b>33,969</b>	<b>43,332</b>	<b>71,400</b>	<b>19,681</b>	<b>14,157</b>	<b>20,147</b>	<b>17,415</b>
By issuer:							
Industrial corporations .....	2,210	3,401	3,540	1,216	716	1,158	450
Banking corporations <sup>1</sup> .....	2,645	5,482	10,967	3,555	2,252	3,478	1,682
Nonbank financial corporations <sup>2</sup> .....	24,584	27,480	35,571	10,033	7,028	10,198	8,312
U.S. federally sponsored agencies .....	300	2,470	12,139	3,182	2,050	3,868	3,039
All other borrowers .....	4,230	4,499	9,183	1,695	2,111	1,445	3,932
By instrument:							
Of which: Issued through medium-term note programs .....	9,838	11,250	14,233	3,728	2,991	4,753	2,761
Straight fixed-rate bonds .....	21,323	29,797	49,339	15,483	9,332	11,835	12,689
Floating-rate notes .....	9,845	11,663	19,662	3,577	4,596	7,850	3,639
Zero-coupon bonds .....	485	381	1,037	355	229	346	107
Bonds convertible into stock .....	2,012	755	1,167	150	.....	37	980
Other debt instruments .....	304	736	195	116	.....	79	.....
By currency:							
U.S. dollars .....	20,320	22,859	43,869	11,976	9,804	11,038	11,051
Foreign currencies .....	13,649	20,473	27,531	7,705	4,353	9,109	6,364
Japanese yen .....	3,349	7,454	6,112	732	759	2,923	1,698
Swiss franc .....	938	2,026	4,148	1,264	1,015	996	873
German mark .....	2,543	2,151	8,664	2,244	1,541	2,964	1,915
British pound .....	863	1,763	978	512	64	47	355
European currency unit .....	225	1,820	488	396	66	26	.....
Canadian dollar .....	2,321	1,735	346	.....	15	184	147
Other currencies .....	3,410	3,524	6,795	2,557	893	1,969	1,376

<sup>a</sup> Revised.

<sup>b</sup> Preliminary.

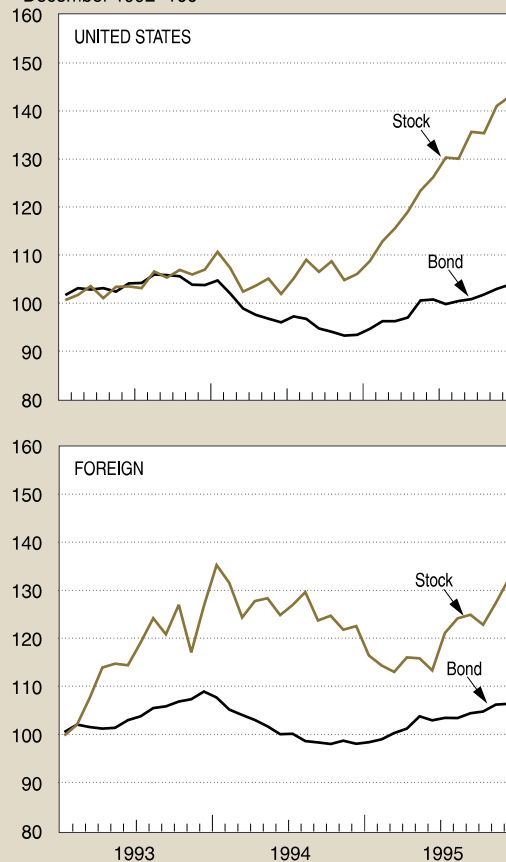
1. Includes banks and bank holding companies.

2. Principally credit, securities, brokerage, and insurance companies.

**CHART 12**

### Stock and Bond Price Indexes

December 1992=100



Sources:

Stock indexes — Morgan Stanley Capital International: U.S. index, and world index excluding United States, in local currencies.  
Bond indexes — Salomon Brothers Inc.: Treasury/government sponsored/corporate index, and non-U.S. world government bond index, in local currencies.

Indexes rebased by BEA.

U.S. Department of Commerce, Bureau of Economic Analysis

the price rise was more rapid in U.S. market than in foreign markets.

Net purchases by Caribbean investors were \$37.5 billion in 1995, a shift from net sales of \$5.4 billion in 1994. Many of these purchases were by international bond mutual funds, which financed their purchases through resale agreements with brokers and dealers in the United States. In the fourth quarter, the strength of net pur-

chases acted as a substantial offset to large sales by Western Europe and Japan.

Net purchases by Western European investors were \$35.5 billion in 1995, up from \$25.8 billion in 1994. Net purchases in the first half of the year were strongly influenced by the rapid rise in U.S. bond prices, and accelerated strongly in the third quarter, when the dollar recovered sharply in the exchange markets. In the fourth quarter, profit

**Table S.—Selected U.S. Transactions With OPEC Members <sup>1</sup>**

(Millions of dollars)

(Credits +; debits -)	1981 <sup>r</sup>	1982 <sup>r</sup>	1983 <sup>r</sup>	1984 <sup>r</sup>	1985 <sup>r</sup>	1986 <sup>r</sup>	1987 <sup>r</sup>	1988 <sup>r</sup>	1989 <sup>r</sup>	1990 <sup>r</sup>	1991 <sup>r</sup>	1992 <sup>r</sup>	1993 <sup>r</sup>	1994 <sup>r</sup>	1995 <sup>p</sup>
<b>Exports of goods, services, and income:</b>															
Merchandise, adjusted, excluding military .....	21,091	20,638	15,257	13,775	11,397	10,386	10,714	13,777	12,669	12,712	18,446	19,726	18,692	17,119	18,258
Transfers under U.S. military asset sales contracts .....	3,664	4,700	5,555	3,241	2,890	2,992	2,781	1,430	1,309	2,687	3,809	4,457	3,545	2,650	3,908
Royalties and license fees <sup>2</sup> .....	69	116	81	75	84	48	103	77	71	94	149	140	175	159	192
Other private services <sup>2</sup> .....	3,762	3,395	3,397	2,611	2,482	3,270	1,939	1,516	1,541	1,547	2,029	2,760	2,518	2,412	2,442
U.S. Government miscellaneous services .....	28	29	44	48	41	15	25	18	16	20	16	22	13	14	12
<b>Income receipts on U.S. assets abroad:</b>															
Direct investment receipts .....	4,133	3,474	2,830	3,366	2,485	1,858	1,965	1,875	1,835	2,854	3,293	3,224	2,745	2,633	3,882
Other private receipts .....	2,047	2,532	2,256	2,453	1,995	1,535	1,680	1,941	2,435	2,193	1,364	994	812	1,118	1,332
U.S. Government receipts .....	167	174	274	212	222	196	167	215	154	261	217	187	141	124	176
<b>Imports of goods, services, and income:</b>															
Merchandise, adjusted, excluding military .....	-49,977	-31,510	-24,919	-26,853	-22,834	-18,893	-24,416	-23,016	-29,243	-37,024	-33,431	-32,377	-32,643	-31,674	-35,149
Direct defense expenditures .....	-1,862	-1,798	-1,976	-1,440	-962	-494	-370	-377	-614	-1,419	-784	-883	-455	-360	-316
Royalties and license fees <sup>2</sup> .....	(P)	(P)	(P)	(P)	(P)	(P)	(*)	-4	-1	(*)	-1	-2	-44	-8	-15
Other private services <sup>2</sup> .....	3 (P)	(P)	(P)	(P)	(P)	3 (P)	-207	-219	-205	-300	-443	-375	-320	-357	-366
U.S. Government miscellaneous services .....	-85	-98	-106	-116	-120	-102	-118	-96	-104	-96	-87	-47	-26	-37	-27
<b>Income payments on foreign assets in the United States:</b>															
Direct investment payments .....	-48	-327	27	38	-72	114	-78	164	-50	-98	-93	47	-89	13	44
Other private payments .....	-3,294	-3,556	-2,914	-3,094	-2,499	-1,916	-1,837	-2,175	-2,798	-2,848	-2,627	-2,110	-1,935	-2,193	-2,907
U.S. Government payments .....	-4,007	-6,062	-5,462	-4,806	-4,241	-3,141	-2,586	-2,141	-2,758	-3,297	-2,784	-2,514	-2,218	-1,995	-2,406
<b>U.S. Government grants .....</b>	<b>-51</b>	<b>-49</b>	<b>-51</b>	<b>-66</b>	<b>-62</b>	<b>-74</b>	<b>-84</b>	<b>-97</b>	<b>-130</b>	<b>3,368</b>	<b>27,422</b>	<b>1,019</b>	<b>-196</b>	<b>-203</b>	<b>-194</b>
<b>U.S. Government pensions and other transfers .....</b>	<b>-7</b>	<b>-7</b>	<b>-8</b>	<b>-8</b>	<b>-9</b>	<b>-9</b>	<b>-14</b>	<b>-10</b>	<b>16</b>	<b>-12</b>	<b>-292</b>	<b>-16</b>	<b>-7</b>	<b>-8</b>	<b>-7</b>
<b>U.S. assets abroad, net (increase/capital outflow (-)) .....</b>	<b>-3,147</b>	<b>-6,891</b>	<b>-4,294</b>	<b>-1,138</b>	<b>2,005</b>	<b>-945</b>	<b>-571</b>	<b>-784</b>	<b>-1,875</b>	<b>1,847</b>	<b>-577</b>	<b>-11,873</b>	<b>-496</b>	<b>-154</b>	<b>1,161</b>
U.S. Government assets, other than official reserve assets, net .....	-188	41	82	-92	-7	158	141	-61	135	-253	-788	-528	19	-414	-529
U.S. credits and other long-term assets .....	-432	-195	-525	-425	-358	-195	-165	-396	-212	-647	-246	-275	-85	-232	-988
Repayments on U.S. credits and other long-term assets .....	251	238	586	331	348	349	308	344	343	481	397	278	224	184	199
U.S. foreign currency holdings and U.S. short-term assets, net .....	-7	-2	21	2	3	4	-2	-9	4	-87	-939	-531	-120	-366	260
U.S. private assets, net .....	-2,959	-6,932	-4,376	-1,046	2,012	-1,103	-712	-723	-2,010	2,100	211	-11,345	-515	260	1,690
Direct investment abroad .....	-523	-1,605	-1,292	-1,665	331	-1,357	-64	1,133	535	-1,277	-2,706	-1,465	-1,597	-1,013	-3,405
Foreign securities .....	130	-218	-77	324	156	33	58	-365	96	-2,815	-17	625	-664	-1,757	-641
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-264	589	98	171	208	43	81	41	100	13	-224	-44	-304	-134	121
U.S. claims reported by U.S. banks, not included elsewhere .....	-2,302	-5,698	-3,105	124	1,317	178	-787	-1,532	-2,741	6,179	3,158	-10,461	2,050	3,164	5,615
<b>Foreign assets in the United States, net (increase/capital inflow(+)) .....</b>	<b>14,784</b>	<b>10,488</b>	<b>-7,931</b>	<b>-3,133</b>	<b>-3,393</b>	<b>-9,380</b>	<b>-5,371</b>	<b>-728</b>	<b>15,282</b>	<b>3,320</b>	<b>-4,416</b>	<b>14,392</b>	<b>-8,866</b>	<b>2,035</b>	<b>2,894</b>
Of which: foreign official .....	13,092	7,271	-8,561	-4,664	-6,644	-9,308	-9,939	-2,885	10,724	1,555	-5,235	5,622	-3,718	-1,184	4,482
U.S. Treasury securities .....	10,338	7,345	-6,650	-3,501	-1,389	-4,938	-5,398	1,688	7,815	-244	-5,902	4,323	-6,272	-1,054	1,338
Other U.S. securities .....	4,621	-673	-1,947	-3,228	-2,327	-1,746	-1,808	-2,591	3,170	-2,676	1,989	4,186	3,297	-842	-353
Other U.S. Government liabilities .....	416	737	-276	838	23	-427	-957	177	437	505	151	565	862	2,077	1,035
U.S. liabilities reported by U.S. banks, not included elsewhere .....	-2,054	4,660	1,043	3,458	325	-1,459	2,405	-1,146	1,836	5,686	-164	4,793	-5,665	1,457	1,104
Direct investment in the United States .....	2,689	1,427	-11	747	176	510	296	1,629	1,503	-662	81	34	-910	161	-278
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	-1,226	-3,008	-90	-1,447	-201	-1,320	91	-485	521	711	-571	491	-178	236	48
<b>All other transactions with OPEC and transfers of funds between foreign areas, net .....</b>	<b>13,511</b>	<b>4,922</b>	<b>18,155</b>	<b>15,006</b>	<b>10,806</b>	<b>15,748</b>	<b>16,278</b>	<b>8,634</b>	<b>2,450</b>	<b>14,191</b>	<b>-11,210</b>	<b>3,229</b>	<b>18,654</b>	<b>8,712</b>	<b>7,086</b>
<b>Memorandum:</b>															
Balance on merchandise trade .....	-28,886	-10,872	-9,662	-13,078	-11,437	-8,507	-13,702	-9,239	-16,574	-24,312	-14,985	-12,651	-13,951	-14,555	-16,891

<sup>1</sup> Suppressed to avoid disclosure of data of individual companies.

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

\* Less than \$500,000 (+/-).

1. OPEC members are Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela. Beginning in January 1993, excludes Ecuador. Individual country information is not available for all accounts; therefore, some accounts are estimated from regional data.

2. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.

3. Break in series. See Technical Notes in June 1989 and June 1990 SURVEY.



taking and questionable prospects for raising the federal debt ceiling contributed to large net sales.

Net purchases by Japanese investors were \$16.8 billion in 1995, up from \$13.3 billion in 1994. Strong net purchases were fueled in the first half of the year by an interest-rate differential of 350 to 400 basis points in favor of U.S. assets, which was well above the differential of 200 to 325 basis points in 1994; purchases were encouraged in the third quarter by sharp appreciation of the dollar against the yen. However, net purchases gave way to large net sales from September to the end of the year, partly as a result of the adverse impacts of weak Japanese financial institutions, both in the United States and in Japan.

*Other U.S. securities.*—Net foreign purchases of U.S. securities, other than U.S. Treasury securities, surged to a record \$94.6 billion in 1995 from \$58.6 billion in 1994; the previous record was \$79.9 billion in 1993 (table P, chart 11). Strong increases in corporate bonds and in U.S. agency bonds accounted for much of the surge.

New bond issues sold abroad by U.S. corporations were a record \$59.3 billion, up from \$40.9 billion, as the corporate bond market registered its best total return performance in 10 years. Low inflation and slow economic growth provided a powerful stimulus to both bond prices and new issues. New issues by nonbank financial institutions accounted for much of the step-up, but new issues by banks also strengthened. Straight fixed-rate bonds remained the most popular form of issue, but floating-rate issues also increased (table R).

Net foreign purchases of newly issued and outstanding U.S. agency bonds were \$25.0 billion, up from \$16.9 billion, largely as Government agen-

cies broadened their investor base by placing a substantial volume of new issues in the Eurobond market.

Net foreign purchases of U.S. stocks were \$12.8 billion, up from \$3.0 billion. Aside from an exceptionally large foreign acquisition of a U.S. company through an exchange of stock, net foreign purchases of U.S. stocks were not particularly strong in spite of a 35-percent increase in U.S. stock prices that far outpaced the performance of foreign markets (chart 12). Purchases picked up somewhat in the second half of the year when stock price performance continued very strong and the dollar recovered in the exchange markets.

*Direct investment.*—Net capital inflows for foreign direct investment in the United States were a record \$74.7 billion in 1995, compared with \$49.4 billion in 1994; the previous record was \$67.7 billion in 1989. Equity inflows financed a large volume of acquisitions, and reinvested earnings increased substantially (table M).

Equity capital inflows were especially strong at \$48.2 billion, compared with \$32.4 billion, reflecting the stepped-up volume of merger and acquisition activity in the United States. Western European investors made especially large acquisitions of U.S. pharmaceutical and biotechnology companies as part of the global consolidation that has taken place in those industries.

Reinvested earnings increased to \$13.5 billion from \$7.6 billion, reflecting strong earnings growth.

Intercompany debt inflows were \$12.9 billion, compared with \$9.5 billion.


Tables 1 through 10 follow. 

Table 1.—U.S. International Transactions

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	1994	1995 <sup>P</sup>	Not seasonally adjusted				Seasonally adjusted			
				1995				1995			
				I <sup>r</sup>	II	III <sup>r</sup>	IV <sup>P</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>
1	<b>Exports of goods, services, and income</b> .....	<b>838,820</b>	<b>965,008</b>	<b>231,846</b>	<b>241,066</b>	<b>241,000</b>	<b>251,096</b>	<b>232,581</b>	<b>239,760</b>	<b>242,255</b>	<b>250,412</b>
2	Merchandise, adjusted, excluding military <sup>2</sup> .....	502,485	574,879	138,886	144,800	140,805	150,388	138,325	142,667	145,050	148,837
3	Services <sup>3</sup> .....	198,716	208,828	49,716	50,440	56,300	52,373	51,071	51,692	52,755	53,311
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	12,418	12,674	2,997	3,047	3,369	3,261	2,997	3,047	3,369	3,261
5	Travel .....	60,406	60,278	13,558	14,948	17,738	14,034	15,187	15,016	14,751	15,323
6	Passenger fares .....	17,477	18,213	4,196	4,395	5,352	4,270	4,509	4,523	4,506	4,675
7	Other transportation .....	26,078	28,553	6,803	7,091	7,312	7,347	6,923	7,122	7,222	7,287
8	Royalties and license fees <sup>5</sup> .....	22,436	25,852	5,948	6,377	6,445	7,082	6,291	6,504	6,622	6,435
9	Other private services <sup>5</sup> .....	59,022	62,488	16,025	14,447	15,841	16,175	14,976	15,345	16,042	16,125
10	U.S. Government miscellaneous services .....	880	771	188	135	243	205	188	135	243	205
11	Income receipts on U.S. assets abroad .....	137,619	181,301	43,244	45,826	43,895	48,335	43,185	45,401	44,450	48,264
12	Direct investment receipts .....	67,702	91,195	21,332	23,174	21,458	25,230	21,352	22,476	22,151	25,215
13	Other private receipts .....	65,835	85,511	20,603	21,527	21,372	22,009	20,603	21,527	21,372	22,009
14	U.S. Government receipts .....	4,082	4,595	1,309	1,125	1,065	1,096	1,230	1,398	927	1,040
15	<b>Imports of goods, services, and income</b> .....	<b>-954,304</b>	<b>-1,087,828</b>	<b>-255,491</b>	<b>-275,733</b>	<b>-279,991</b>	<b>-276,612</b>	<b>-263,515</b>	<b>-275,785</b>	<b>-274,725</b>	<b>-273,808</b>
16	Merchandise, adjusted, excluding military <sup>2</sup> .....	-668,584	-749,348	-177,592	-190,029	-190,334	-191,393	-182,784	-191,321	-188,376	-186,867
17	Services <sup>3</sup> .....	-138,829	-145,778	-32,847	-37,391	-39,748	-35,791	-35,516	-36,379	-36,736	-37,150
18	Direct defense expenditures .....	-10,270	-9,864	-2,455	-2,460	-2,480	-2,469	-2,455	-2,460	-2,480	-2,469
19	Travel .....	-43,562	-45,496	-9,068	-12,594	-13,623	-10,211	-11,051	-11,515	-11,162	-11,768
20	Passenger fares .....	-12,696	-13,385	-2,892	-3,542	-3,799	-3,152	-3,231	-3,378	-3,335	-3,442
21	Other transportation .....	-28,373	-29,505	-7,206	-7,382	-7,676	-7,241	-7,320	-7,421	-7,502	-7,263
22	Royalties and license fees <sup>5</sup> .....	-5,666	-6,561	-1,483	-1,551	-1,742	-1,786	-1,535	-1,614	-1,712	-1,701
23	Other private services <sup>5</sup> .....	-35,605	-38,148	-9,005	-9,231	-9,730	-10,182	-9,186	-9,360	-9,846	-9,757
24	U.S. Government miscellaneous services .....	-2,657	-2,818	-738	-631	-699	-750	-738	-631	-699	-750
25	Income payments on foreign assets in the United States .....	-146,891	-192,703	-45,053	-48,313	-49,909	-49,428	-45,215	-48,085	-49,613	-49,791
26	Direct investment payments .....	-22,621	-32,062	-6,938	-8,023	-9,268	-7,833	-7,100	-7,795	-8,972	-8,196
27	Other private payments .....	-77,251	-99,362	-23,876	-25,229	-24,834	-25,423	-23,876	-25,229	-24,834	-25,423
28	U.S. Government payments .....	-47,019	-61,279	-15,061	-15,061	-15,807	-16,172	-14,239	-15,061	-15,807	-16,172
29	<b>Unilateral transfers, net</b> .....	<b>-35,761</b>	<b>-30,095</b>	<b>-7,703</b>	<b>-6,722</b>	<b>-7,775</b>	<b>-7,895</b>	<b>-7,520</b>	<b>-7,117</b>	<b>-7,780</b>	<b>-7,677</b>
30	U.S. Government grants <sup>4</sup> .....	-15,814	-11,027	-2,867	-2,284	-2,942	-2,934	-2,867	-2,284	-2,942	-2,934
31	U.S. Government pensions and other transfers .....	-4,242	-3,114	-633	-726	-823	-932	-682	-889	-887	-656
32	Private remittances and other transfers <sup>6</sup> .....	-15,700	-15,954	-4,203	-3,712	-4,010	-4,029	-3,971	-3,944	-3,951	-4,087
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	<b>-125,851</b>	<b>-280,096</b>	<b>-76,240</b>	<b>-102,102</b>	<b>-28,642</b>	<b>-73,112</b>	<b>-75,455</b>	<b>-100,355</b>	<b>-27,517</b>	<b>-76,769</b>
34	U.S. official reserve assets, net <sup>7</sup> .....	5,346	-9,742	-5,318	-2,722	-1,893	191	-5,318	-2,722	-1,893	191
35	Gold .....	-441	-808	-867	-156	362	-147	-867	-156	362	-147
36	Special drawing rights .....	494	-2,466	-526	-786	-991	-163	-526	-786	-991	-163
37	Reserve position in the International Monetary Fund .....	5,293	-6,468	-3,925	-1,780	-1,264	501	-3,925	-1,780	-1,264	501
38	Foreign currencies .....	5,293	-6,468	-3,925	-1,780	-1,264	501	-3,925	-1,780	-1,264	501
39	U.S. Government assets, other than official reserve assets, net .....	-322	-326	-152	-180	246	-240	-152	-180	246	-240
40	U.S. credits and other long-term assets .....	-5,182	-4,744	-1,578	-813	-1,193	-1,160	-1,578	-813	-1,193	-1,160
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	5,044	4,352	1,043	647	1,711	951	1,043	647	1,711	951
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	-184	66	383	-14	-272	-31	383	-14	-272	-31
43	U.S. private assets, net .....	-130,875	-270,028	-70,770	-99,200	-26,995	-73,063	-69,985	-97,453	-25,870	-76,720
44	Direct investment .....	-49,370	-96,897	-23,401	-18,988	-17,287	-37,221	-22,616	-17,241	-16,162	-40,878
45	Foreign securities .....	-49,799	-93,769	-6,567	-21,731	-33,998	-31,473	-6,567	-21,731	-33,998	-31,473
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-32,621	n.a.	-11,518	-18,499	9,659	n.a.	-11,518	-18,499	9,659	n.a.
47	U.S. claims reported by U.S. banks, not included elsewhere .....	915	-59,004	-29,284	-39,982	14,631	-4,369	-29,284	-39,982	14,631	-4,369
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	<b>291,365</b>	<b>426,325</b>	<b>94,683</b>	<b>124,643</b>	<b>117,110</b>	<b>89,889</b>	<b>94,841</b>	<b>124,332</b>	<b>116,544</b>	<b>90,609</b>
49	Foreign official assets in the United States, net .....	39,409	110,483	22,308	37,836	39,346	10,993	22,308	37,836	39,346	10,993
50	U.S. Government securities .....	36,748	72,507	11,257	26,495	21,007	13,748	11,257	26,495	21,007	13,748
51	U.S. Treasury securities <sup>9</sup> .....	30,723	68,773	10,131	25,169	20,489	12,984	10,131	25,169	20,489	12,984
52	Other <sup>10</sup> .....	6,025	3,734	1,126	1,326	518	764	1,126	1,326	518	764
53	Other U.S. Government liabilities <sup>11</sup> .....	2,211	1,814	-154	506	89	1,373	-154	506	89	1,373
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	2,923	32,896	10,940	7,886	18,478	-4,408	10,940	7,886	18,478	-4,408
55	Other foreign official assets <sup>12</sup> .....	-2,473	3,266	265	2,949	-228	280	265	2,949	-228	280
56	Other foreign assets in the United States, net .....	251,956	315,842	72,375	86,807	77,764	78,896	72,333	86,496	77,198	79,616
57	Direct investment .....	49,448	74,701	17,067	13,177	24,235	20,222	17,225	12,866	23,669	20,942
58	U.S. Treasury securities .....	33,811	99,081	29,910	30,315	37,192	1,664	29,910	30,315	37,192	1,664
59	U.S. securities other than U.S. Treasury securities .....	58,625	94,576	15,816	20,549	30,977	27,234	15,816	20,549	30,977	27,234
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	-4,324	n.a.	10,113	10,527	6,938	n.a.	10,113	10,527	6,938	n.a.
61	U.S. liabilities reported by U.S. banks, not included elsewhere .....	114,396	19,906	-531	12,239	-21,578	29,776	-531	12,239	-21,578	29,776
62	<b>Allocations of special drawing rights</b> .....										
63	<b>Statistical discrepancy (sum of above items with sign reversed)</b> .....	<b>-14,269</b>	<b>6,685</b>	<b>12,906</b>	<b>18,847</b>	<b>-41,702</b>	<b>16,633</b>	<b>19,068</b>	<b>19,165</b>	<b>-48,777</b>	<b>17,233</b>
63a	Of which seasonal adjustment discrepancy .....							6,162	317	-7,076	600
64	<b>Memoranda:</b>										
65	Balance on merchandise trade (lines 2 and 16) .....	-166,099	-174,469	-38,706	-45,229	-49,529	-41,005	-44,459	-48,654	-43,326	-38,030
66	Balance on services (lines 3 and 17) .....	59,887	63,051	16,869	13,049	16,552	16,582	15,555	15,313	16,019	16,161
67	Balance on goods and services (lines 64 and 65) .....	-106,212	-111,418	-21,837	-32,180	-32,978	-24,423	-28,904	-33,341	-27,307	-21,869
68	Balance on investment income (lines 11 and 25) .....	-9,272	-11,402	-1,808	-2,487	-6,014	-1,093	-2,030	-2,684	-5,163	-1,527
69	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) <sup>13</sup> .....	-115,484	-122,820	-23,645	-34,666	-38,992	-25,515	-30,934	-36,025	-32,470	-23,396
70	Unilateral transfers, net (line 29) .....	-35,761	-30,095	-7,703	-6,722	-7,775	-7,895	-7,520	-7,117	-7,780	-7,677
71	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) <sup>13</sup> .....	-151,245	-152,915	-31,348	-41,388	-46,767	-33,410	-38,454	-43,142	-40,250	-31,073

See footnotes on page 81.

Table 2.—U.S. Merchandise Trade

[Millions of dollars]

Line		1994	1995 <sup>P</sup>	Not seasonally adjusted								Seasonally adjusted							
				1994				1995				1994				1995			
				II	III	IV	I <sup>r</sup>	II	III <sup>r</sup>	IV <sup>P</sup>		II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>	
A	Balance of payments adjustments to Census trade data:																		
	EXPORTS																		
1	Merchandise exports, Census basis <sup>1</sup> including reexports and including military grant shipments .....	512,627	583,866	127,227	126,573	138,001	141,010	147,070	142,967	152,819	125,155	130,058	136,743	140,449	144,937	147,212	151,268		
	Adjustments:																		
2	Private gift parcel remittances .....	888	1,082	214	200	220	261	276	262	283	214	200	220	261	276	262	283		
3	Gold exports, nonmonetary .....	88	38		25	25		13	25			25	25		13	25			
4	Inland U.S. freight to Canada <sup>2</sup> .....																		
5	U.S.-Canadian reconciliation adjustments, n.e.c., net <sup>3</sup> .....																		
6	Merchandise exports transferred under U.S. military agency sales contracts identified in Census documents <sup>4</sup> .....	-9,370	-8,641	-2,139	-2,471	-2,694	-2,038	-2,239	-2,087	-2,277	-2,139	-2,471	-2,694	-2,038	-2,239	-2,087	-2,277		
7	Other adjustments, net <sup>5</sup> .....	-1,748	-1,466	-500	-427	-369	-347	-320	-362	-437	-500	-427	-369	-347	-320	-362	-437		
8	Equals: Merchandise exports, adjusted to balance of payments basis excluding "military" (table 1, line 2) .....	502,485	574,879	124,802	123,900	135,183	138,886	144,800	140,805	150,388	122,730	127,384	133,926	138,325	142,667	145,050	148,837		
	IMPORTS																		
9	Merchandise imports, Census basis <sup>1</sup> (general imports) .....	663,256	743,431	161,598	172,991	180,836	176,245	187,081	189,660	190,445	162,871	171,168	176,596	181,437	188,373	187,701	185,920		
	Adjustments:																		
10	Electric energy .....	86	84	21	21	22	21	21	21	21	21	21	22	21	21	21	21		
11	Gold imports, nonmonetary .....	2,751	3,066	716	214	123	625	2,205		236	716	214	123	625	2,205		236		
12	Inland freight in Canada <sup>2</sup> .....	3,129	3,349	776	769	818	829	853	811	856	776	769	818	829	853	811	856		
13	U.S.-Canadian reconciliation adjustment, n.e.c., net <sup>3</sup> .....																		
14	Merchandise imports of U.S. military agencies identified in Census documents <sup>4</sup> .....	-549	-470	-144	-130	-122	-111	-113	-120	-126	-144	-130	-122	-111	-113	-120	-126		
15	Other adjustments, net <sup>6,7</sup> .....	-89	-112	-17	-30	-22	-17	-18	-38	-39	-17	-30	-22	-17	-18	-38	-39		
16	Equals: Merchandise imports, adjusted to balance of payments basis, excluding "military" (table 1, line 16) .....	668,584	749,348	162,950	173,835	181,655	177,592	190,029	190,334	191,393	164,224	172,011	177,414	182,784	191,321	188,376	186,867		
B	Merchandise trade, by area and country, adjusted to balance of payments basis, excluding military: <sup>8</sup>																		
	EXPORTS																		
1	Total, all countries (A-8) .....	502,485	574,879	124,802	123,900	135,183	138,886	144,800	140,805	150,388	122,730	127,384	133,926	138,325	142,667	145,050	148,837		
2	Western Europe .....	115,362	132,205	28,833	26,571	31,121	31,866	33,890	31,084	35,365	28,335	27,286	30,885	31,791	33,365	31,984	35,065		
3	European Union .....	100,430	121,316	24,890	23,096	27,230	29,226	30,616	28,817	32,657	24,462	23,715	27,025	29,157	30,138	29,642	32,379		
4	Belgium and Luxembourg .....	11,079	12,755	2,612	2,815	3,254	3,030	3,195	3,229	3,301	2,564	2,881	3,234	3,025	3,142	3,314	3,274		
5	France .....	13,610	14,246	3,251	3,245	3,779	3,707	3,665	3,235	3,639	3,192	3,320	3,758	3,705	3,606	3,320	3,615		
6	Germany <sup>9</sup> .....	18,744	21,852	4,562	4,346	5,204	5,251	5,409	5,240	5,952	4,482	4,458	5,168	5,242	5,320	5,387	5,903		
7	Italy .....	7,007	8,690	2,012	1,517	1,911	2,087	2,264	1,958	2,381	1,978	1,563	1,896	2,084	2,231	2,015	2,360		
8	Netherlands .....	13,321	16,222	3,097	2,922	3,858	3,791	4,210	3,747	4,474	3,053	3,014	3,816	3,771	4,157	3,868	4,426		
9	United Kingdom .....	25,972	27,994	6,671	5,696	6,409	6,574	7,224	6,807	7,389	6,546	5,841	6,373	6,570	7,099	6,989	7,336		
10	Other .....	10,697	19,557	2,685	2,555	2,815	4,786	4,649	4,601	5,521	2,647	2,638	2,780	4,760	4,583	4,749	5,465		
11	Western Europe, excluding EU .....	14,932	10,889	3,943	3,475	3,891	2,640	3,274	2,267	2,708	3,873	3,571	3,860	2,634	3,227	2,342	2,686		
12	Canada <sup>3</sup> .....	114,869	127,589	29,694	27,871	31,009	31,861	33,130	30,402	32,196	29,177	28,575	30,806	31,821	32,611	31,205	31,952		
13	Japan .....	51,817	62,894	12,550	13,353	13,290	14,752	15,543	16,177	16,422	12,387	13,795	13,095	14,625	15,354	16,739	16,176		
14	Australia, New Zealand, and South Africa <sup>10</sup> .....																		
15	Australia .....	9,586	10,496	2,296	2,712	2,496	2,590	2,663	2,601	2,642	2,251	2,775	2,478	2,587	2,616	2,669	2,624		
16	Eastern Europe .....	5,346	5,741	1,389	1,459	1,343	1,175	1,458	1,375	1,733	1,372	1,512	1,319	1,161	1,446	1,434	1,700		
17	Latin America and Other Western Hemisphere .....	92,031	95,853	22,488	23,343	25,253	23,421	23,512	23,988	24,932	22,109	23,984	25,021	23,343	23,144	24,687	24,679		
18	Brazil .....	7,914	11,156	1,601	1,930	2,700	2,786	2,959	2,512	2,899	1,573	1,978	2,676	2,784	2,911	2,582	2,879		
19	Mexico .....	50,741	46,195	12,596	13,016	13,296	11,568	10,849	11,699	12,079	12,382	13,376	13,175	11,532	10,674	12,030	11,959		
20	Venezuela .....	3,960	4,606	1,023	898	1,046	1,057	1,194	1,281	1,074	1,008	924	1,037	1,050	1,175	1,319	1,062		
21	Other .....	29,416	33,896	7,268	7,499	8,211	8,010	8,510	8,496	8,880	7,146	7,706	8,133	7,977	8,384	8,756	8,779		
22	Other countries in Asia and Africa <sup>8 10</sup> .....	113,385	140,101	27,552	28,591	30,584	33,221	34,604	35,178	37,098	27,099	29,457	30,235	32,997	34,131	36,332	36,641		
23	Asia <sup>8 10</sup> .....	104,052	129,819	25,319	26,308	28,026	30,861	32,157	32,511	34,290	24,889	27,078	27,730	30,670	31,702	33,552	33,895		
24	Members of OPEC .....	11,344	12,158	2,635	2,509	3,298	3,181	3,002	2,748	3,227	2,592	2,587	3,263	3,166	2,957	2,848	3,187		
25	China .....	9,242	11,684	2,476	2,514	2,052	2,891	2,658	2,772	3,363	2,435	2,588	2,023	2,849	2,637	2,875	3,323		
26	Hong Kong .....	11,417	14,181	3,087	3,004	2,967	3,283	3,752	3,543	3,603	3,037	3,091	2,935	3,269	3,698	3,651	3,563		
27	Korea, Republic of .....	16,988	24,224	3,769	4,501	4,897	5,752	6,031	6,123	6,318	3,707	4,641	4,835	5,707	5,949	6,332	6,236		
28	Singapore .....	12,168	14,883	2,889	3,183	3,238	3,444	3,414	3,860	4,265	2,828	3,257	3,219	3,342	3,351	3,955	4,235		
29	Taiwan .....	16,116	18,521	3,838	3,928	4,284	4,606	4,961	4,562	4,392	3,777	4,052	4,234	4,579	4,893	4,715	4,334		
30	Africa <sup>8 10</sup> .....	8,937	9,989	2,144	2,118	2,490	2,301	2,368	2,592	2,728	2,122	2,208	2,441	2,268	2,350	2,697	2,674		
31	Members of OPEC .....	1,815	1,494	365	448	442	374	392	371	357	363	469	433	368	392	385	349		
32	International organizations and unallocated .....	89				87								87					
	Memoranda:																		
33	Industrial countries <sup>8</sup> .....	295,287	337,667	74,221	71,424	79,017	82,074	86,382	81,476	87,735	72,983	73,372	78,356	81,825	85,084	83,841	86,917		
34	Members of OPEC <sup>8</sup> .....	17,119	18,258	4,023	3,855	4,786	4,612	4,588	4,400	4,658	3,963	3,980	4,733	4,584	4,524	4,552	4,598		
35	Other countries <sup>8</sup> .....	189,990	218,954	46,558	48,621	51,293	52,200	53,830	54,929	57,995	45,784	50,032	50,750	51,916	53,059	56,657	57,322		

See footnotes on page 81.

**Table 2.—U.S. Merchandise Trade—Continued**  
[Millions of dollars]

Line		1994	1995 <sup>P</sup>	Not seasonally adjusted								Seasonally adjusted							
				1994			1995					1994			1995				
				II	III	IV	I <sup>r</sup>	II	III <sup>r</sup>	IV <sup>P</sup>		II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>	
B	Merchandise trade, by area and country, adjusted to balance of payments basis, excluding military <sup>8</sup> —Continued:																		
	IMPORTS																		
36	Total, all countries (A–16) .....	668,584	749,348	162,950	173,835	181,655	177,592	190,029	190,334	191,393	164,224	172,011	177,414	182,784	191,321	188,376	186,867		
37	Western Europe .....	132,925	147,786	33,420	32,813	35,546	34,586	39,644	35,580	37,976	33,673	32,457	34,682	35,615	39,911	35,210	37,050		
38	European Union .....	112,387	134,321	28,471	27,735	29,963	31,514	36,007	32,241	34,559	28,685	27,431	29,231	32,454	36,250	31,905	33,712		
39	Belgium and Luxembourg .....	8,464	8,751	2,389	1,563	1,702	2,192	3,446	1,463	1,650	2,400	1,544	1,658	2,241	3,456	1,446	1,608		
40	France .....	16,674	17,217	4,204	4,051	4,733	4,183	4,395	4,223	4,416	4,239	4,008	4,617	4,309	4,425	4,178	4,305		
41	Germany <sup>9</sup> .....	31,677	36,761	8,014	7,838	8,766	8,252	9,658	9,267	9,584	8,079	7,753	8,548	8,509	9,732	9,172	9,348		
42	Italy .....	14,785	16,485	3,603	3,794	4,125	3,958	4,151	4,053	4,323	3,633	3,754	4,025	4,079	4,181	4,010	4,215		
43	Netherlands .....	6,004	6,365	1,566	1,422	1,431	1,423	1,630	1,548	1,764	1,575	1,403	1,393	1,468	1,642	1,533	1,722		
44	United Kingdom .....	24,861	26,716	6,140	6,454	6,747	6,415	6,889	6,454	6,958	6,186	6,386	6,593	6,601	6,935	6,387	6,793		
45	Other .....	9,922	22,026	2,555	2,613	2,459	5,091	5,838	5,233	5,864	2,573	2,583	2,397	5,247	5,879	5,179	5,721		
46	Western Europe, excluding EU .....	20,538	13,465	4,949	5,078	5,583	3,072	3,637	3,339	3,417	4,988	5,026	5,451	3,161	3,661	3,305	3,338		
47	Canada <sup>3</sup> .....	131,115	147,870	32,990	32,243	36,667	36,436	37,837	35,274	38,323	33,247	31,907	35,816	37,478	38,081	34,901	37,410		
48	Japan .....	119,135	123,494	28,393	30,591	32,202	30,707	32,573	31,056	29,158	28,615	30,249	31,393	31,618	32,779	30,698	28,399		
49	Australia, New Zealand, and South Africa <sup>10</sup> .....																		
50	Australia .....	3,202	3,396	785	858	833	905	823	849	819	791	848	813	932	827	840	797		
51	Eastern Europe .....	5,828	7,017	1,407	1,441	1,889	1,971	1,953	1,622	1,471	1,421	1,429	1,846	2,026	1,962	1,600	1,429		
52	Latin America and Other Western Hemisphere .....	88,526	104,601	21,613	22,915	23,874	25,355	25,923	26,240	27,083	21,768	22,676	23,354	26,054	26,087	25,976	26,484		
53	Brazil .....	8,683	8,814	2,145	2,394	2,148	2,183	2,082	2,219	2,330	2,161	2,367	2,094	2,249	2,097	2,196	2,272		
54	Mexico .....	50,053	62,362	12,192	12,471	13,922	15,136	15,343	15,533	16,350	12,284	12,340	13,602	15,571	15,446	15,376	15,969		
55	Venezuela .....	8,370	9,705	2,099	2,284	2,234	2,363	2,469	2,484	2,389	2,108	2,265	2,211	2,402	2,477	2,462	2,364		
56	Other .....	21,420	23,720	5,177	5,766	5,570	5,673	6,029	6,004	6,014	5,215	5,704	5,447	5,832	6,067	5,942	5,879		
57	Other countries in Asia and Africa <sup>8 10</sup> .....	187,853	215,184	44,342	52,974	50,644	47,632	51,276	59,713	56,563	44,709	52,445	49,510	49,061	51,674	59,151	55,298		
58	Asia <sup>8 10</sup> .....	173,481	199,596	40,651	48,848	47,079	44,009	47,202	55,684	52,701	41,000	48,357	45,989	45,369	47,583	55,158	51,486		
59	Members of OPEC .....	16,213	17,540	3,858	4,683	4,433	4,167	4,340	4,587	4,446	3,881	4,643	4,372	4,256	4,361	4,545	4,378		
60	China .....	38,787	45,549	8,934	11,946	10,462	9,367	10,762	13,701	11,719	9,023	11,833	10,220	9,671	10,858	13,574	11,446		
61	Hong Kong .....	9,695	10,286	2,132	2,785	2,708	2,221	2,362	2,984	2,719	2,152	2,757	2,644	2,292	2,383	2,956	2,655		
62	Korea, Republic of .....	19,605	24,152	3,737	5,352	5,333	5,185	5,731	6,611	6,625	4,778	5,297	5,204	5,352	5,781	6,550	6,469		
63	Singapore .....	15,357	18,560	3,734	4,043	4,239	3,893	4,340	5,070	5,257	3,766	4,001	4,136	4,021	4,380	5,025	5,134		
64	Taiwan .....	26,706	28,968	6,444	7,058	7,100	6,638	6,997	7,712	7,621	6,496	6,980	6,922	6,846	7,052	7,635	7,435		
65	Africa <sup>8 10</sup> .....	14,090	15,255	3,637	4,059	3,471	3,570	3,923	3,963	3,799	3,655	4,023	3,427	3,638	3,939	3,929	3,749		
66	Members of OPEC .....	7,091	7,904	1,966	2,084	1,699	1,858	2,033	2,059	1,954	1,973	2,068	1,687	1,884	2,038	2,043	1,939		
67	International organizations and unallocated .....																		
	Memoranda:																		
68	Industrial countries <sup>8</sup> .....	389,834	426,213	96,543	97,325	106,121	103,491	111,888	103,690	107,144	97,288	96,271	103,554	106,525	112,616	102,569	104,503		
69	Members of OPEC <sup>8</sup> .....	31,674	35,149	7,923	9,051	8,366	8,388	8,842	9,130	8,789	7,962	8,976	8,270	8,542	8,876	9,050	8,681		
70	Other countries <sup>8</sup> .....	247,076	287,986	58,484	67,459	67,168	65,713	69,299	77,514	75,460	58,974	66,764	65,590	67,717	69,829	76,757	73,683		
	BALANCE (EXCESS OF EXPORTS +)																		
71	Total, all countries .....	-166,099	-174,469	-38,148	-49,935	-46,472	-38,706	-45,229	-49,529	-41,005	-41,494	-44,627	-43,488	-44,459	-48,654	-43,326	-38,030		
72	Western Europe .....	-17,563	-15,581	-4,587	-6,242	-4,425	-2,720	-5,754	-4,496	-2,611	-5,338	-5,171	-3,797	-3,824	-6,546	-3,226	-1,985		
73	European Union .....	-11,957	-13,005	-3,581	-4,639	-2,733	-2,828	-5,391	-3,424	-1,902	-4,223	-3,716	-2,206	-3,297	-6,112	-2,263	-1,333		
74	Belgium and Luxembourg .....	2,615	4,004	223	1,252	1,552	838	1,766	1,651	1,651	1,64	1,337	1,576	784	-314	1,868	1,666		
75	France .....	-3,064	-2,971	-953	-806	-954	-476	-730	-988	-777	-1,047	-688	-859	-604	-819	-859	-690		
76	Germany <sup>9</sup> .....	-12,933	-14,909	-3,452	-3,492	-3,562	-3,001	-4,249	-4,027	-3,632	-3,597	-3,295	-3,380	-3,267	-4,412	-3,785	-3,445		
77	Italy .....	-7,778	-7,795	-1,591	-2,277	-2,214	-1,871	-1,887	-2,095	-1,942	-1,655	-2,191	-2,129	-1,995	-1,950	-1,855	-1,855		
78	Netherlands .....	7,317	9,857	1,531	1,500	2,427	2,368	2,580	2,199	2,710	1,478	1,611	2,423	2,303	2,515	2,335	2,704		
79	United Kingdom .....	1,111	1,278	531	758	338	159	335	431	360	340	545	-220	-31	164	602	543		
80	Other .....	775	-2,469	130	-58	356	-305	-1,189	-632	-343	74	55	383	-487	-1,296	-430	-256		
81	Western Europe, excluding EU .....	-5,606	-2,576	-1,006	-1,603	-1,692	-432	-363	-1,072	-709	-1,115	-1,455	-1,591	-527	-434	-963	-652		
82	Canada <sup>3</sup> .....	-16,246	-20,281	-3,296	-4,372	-5,658	-4,575	-4,707	-4,872	-6,127	-4,070	-3,332	-5,010	-5,657	-5,470	-3,696	-5,458		
83	Japan .....	-67,318	-60,600	-15,843	-17,238	-18,912	-15,955	-17,030	-14,879	-12,736	-16,228	-16,454	-18,298	-16,993	-17,425	-13,959	-12,223		
84	Australia, New Zealand, and South Africa <sup>10</sup> .....																		
85	Australia .....	6,384	7,100	1,511	1,854	1,663	1,685	1,840	1,752	1,823	1,460	1,927	1,665	1,655	1,789	1,829	1,827		
86	Eastern Europe .....	-482	-1,276	-18	18	-546	-796	-495	-247	262	-49	83	-527	-865	-516	-166	271		
87	Latin America and Other Western Hemisphere .....	3,505	-8,748	875	428	1,379	-1,934	-2,411	-2,252	-2,151	341	1,308	1,667	-2,711	-2,943	-1,289	-1,805		
88	Brazil .....	-769	2,342	-544	-464	552	603	877	293	569	-588	-389							

**Table 2.—U.S. Merchandise Trade—Continued**  
[Millions of dollars]

Line		1994	1995 <sup>P</sup>	Not seasonally adjusted								Seasonally adjusted							
				1994			1995					1994			1995				
				II	III	IV	I <sup>r</sup>	II	III <sup>r</sup>	IV <sup>P</sup>	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>		
C	Merchandise trade, by principal end-use category, adjusted to balance of payments basis, excluding military:																		
1	Merchandise exports, balance of payments basis, excluding military (A-8)	502,485	574,879	124,802	123,900	135,183	138,886	144,800	140,805	150,388	122,730	127,384	133,926	138,325	142,667	145,050	148,837		
2	Agricultural products .....	47,062	57,243	10,628	10,607	14,372	14,702	13,086	13,417	16,038	10,877	11,666	13,556	13,996	13,380	14,669	15,198		
3	Nonagricultural products .....	455,423	517,636	114,174	113,293	120,811	124,184	131,714	127,388	134,350	111,853	115,718	120,370	124,329	129,287	130,381	133,639		
4	Foods, feeds, and beverages .....	42,017	50,543	9,081	9,986	12,660	12,257	11,422	12,861	14,003	9,583	10,406	12,045	11,854	12,020	13,428	13,241		
5	Agricultural .....	37,825	46,105	8,266	8,676	11,653	11,217	10,457	11,428	13,003	8,606	9,360	10,894	10,836	10,847	12,300	12,122		
6	Grains and preparations .....	13,583	18,622	2,888	3,069	4,132	4,350	3,956	5,005	5,311	2,924	3,177	4,078	4,248	4,000	5,119	5,255		
7	Wheat .....	4,270	5,686	896	1,033	1,248	1,294	1,056	1,608	1,728	896	1,033	1,248	1,294	1,056	1,608	1,728		
8	Corn .....	4,345	7,658	841	958	1,470	1,685	1,664	2,149	2,160	841	958	1,470	1,685	1,664	2,149	2,160		
9	Soybeans .....	4,363	5,427	632	662	1,663	1,606	995	1,036	1,790	977	1,094	1,230	1,157	1,409	1,618	1,243		
10	Meat products and poultry .....	5,446	6,618	1,307	1,370	1,597	1,417	1,600	1,747	1,854	1,313	1,371	1,534	1,476	1,604	1,755	1,783		
11	Vegetables, fruits, nuts, and preparations .....	7,393	7,864	1,833	1,783	2,126	1,913	1,994	1,834	2,123	1,772	1,947	1,950	1,984	1,916	2,017	1,947		
12	Other agricultural foods, feeds, and beverages .....	7,040	7,574	1,606	1,792	2,135	1,931	1,912	1,806	1,925	1,620	1,771	2,102	1,971	1,918	1,791	1,894		
13	Nonagricultural (fish, distilled beverages, etc.) .....	4,192	4,438	815	1,310	1,007	1,040	965	1,433	1,000	977	1,046	1,151	1,018	1,173	1,128	1,119		
14	Fish and shellfish .....	3,247	3,389	582	1,089	730	830	692	1,172	695	745	826	873	808	900	867	814		
15	Industrial supplies and materials .....	121,552	146,221	29,997	30,803	32,279	36,138	38,109	35,990	35,984	29,326	31,209	32,661	35,898	37,329	36,431	36,563		
16	Agricultural .....	8,995	10,899	2,295	1,884	2,656	3,417	2,565	1,942	2,975	2,213	2,245	2,594	3,101	2,478	2,308	3,012		
17	Raw cotton .....	2,642	3,719	798	529	757	1,465	909	371	974	692	709	797	1,273	794	536	1,116		
18	Tobacco, unmanufactured .....	1,305	1,391	406	184	365	421	324	213	433	337	310	335	376	254	354	407		
19	Hides and skins, including furskins .....	1,536	1,763	372	405	393	466	448	447	402	368	405	421	439	443	447	434		
20	Other agricultural industrial supplies .....	3,512	4,026	719	766	1,141	1,065	884	911	1,166	816	821	1,041	1,013	987	971	1,055		
21	Nonagricultural .....	112,557	135,322	27,702	28,919	29,623	32,721	35,544	34,048	33,009	27,113	28,964	30,067	32,797	34,851	34,123	33,551		
22	Energy products .....	12,039	13,725	2,830	3,201	3,333	3,273	3,407	3,281	3,764	2,837	3,154	3,321	3,343	3,425	3,218	3,739		
23	Fuels and lubricants .....	11,959	13,639	2,812	3,178	3,311	3,249	3,388	3,259	3,743	2,820	3,131	3,298	3,319	3,406	3,196	3,718		
24	Coal and related fuels .....	3,445	4,300	849	933	897	901	1,077	1,120	1,202	857	886	885	971	1,094	1,057	1,178		
25	Petroleum and products .....	6,968	8,081	1,629	1,744	2,003	1,952	2,029	1,839	2,261	1,629	1,744	2,003	1,952	2,029	1,839	2,261		
26	Paper and paper base stocks .....	10,103	14,483	2,412	2,669	2,845	3,372	3,838	3,923	3,350	2,373	2,663	2,928	3,302	3,774	3,943	3,464		
27	Textile supplies and related materials .....	8,183	9,277	2,050	2,083	2,212	2,295	2,413	2,268	2,301	1,981	2,123	2,235	2,309	2,340	2,309	2,319		
28	Chemicals, excluding medicinals .....	35,136	42,959	8,755	9,036	9,428	10,456	11,201	10,804	10,498	8,552	9,095	9,613	10,392	10,967	10,862	10,738		
29	Building materials, except metals .....	8,839	9,051	2,222	2,279	2,275	2,246	2,469	2,171	2,165	2,115	2,284	2,315	2,286	2,352	2,189	2,224		
30	Other nonmetals .....	11,901	13,389	2,963	3,076	3,058	3,311	3,393	3,303	3,382	2,895	3,066	3,147	3,291	3,319	3,294	3,485		
31	Metals and nonmetallic products .....	26,356	32,438	6,470	6,575	6,472	7,768	8,823	8,298	7,549	6,360	6,579	6,508	7,874	8,674	8,308	7,582		
32	Steelmaking materials .....	1,854	2,742	454	501	517	672	803	695	572	416	405	497	786	735	679	542		
33	Iron and steel products .....	3,937	5,812	979	989	1,061	1,197	1,360	1,657	1,598	979	989	1,061	1,197	1,360	1,657	1,598		
34	Nonferrous metals .....	12,279	14,591	2,933	2,973	2,742	3,645	4,298	3,584	3,064	2,933	2,973	2,742	3,645	4,298	3,584	3,064		
35	Nonmonetary gold .....	5,813	5,121	1,437	1,164	873	1,407	1,934	845	935	1,437	1,164	873	1,407	1,934	845	935		
36	Other precious metals .....	1,025	1,593	218	268	315	373	273	614	333	218	268	315	373	273	614	333		
37	Other nonferrous metals .....	5,441	7,877	1,278	1,541	1,554	1,865	2,091	2,125	1,796	1,278	1,541	1,554	1,865	2,091	2,125	1,796		
38	Other metals and nonmetallic products .....	8,286	9,293	2,104	2,112	2,152	2,254	2,362	2,362	2,315	2,032	2,122	2,208	2,246	2,281	2,368	2,378		
39	Capital goods, except automotive .....	205,390	233,315	51,303	50,911	54,408	54,332	58,114	57,709	63,160	50,982	51,782	53,803	54,313	57,784	58,852	62,366		
40	Machinery, except consumer-type .....	172,230	205,387	42,370	43,468	46,492	47,709	49,901	51,461	56,316	42,051	44,262	46,008	47,643	49,575	52,519	55,650		
41	Electric generating machinery, electric apparatus, and parts .....	19,674	22,951	4,980	5,057	5,136	5,378	5,748	5,858	5,967	4,893	5,113	5,147	5,390	5,640	5,929	5,992		
42	Nonelectric, including parts and attachments .....	152,556	182,436	37,390	38,411	41,356	42,331	44,153	45,603	50,349	37,158	39,149	40,861	42,253	43,935	46,590	49,658		
43	Oil drilling, mining, and construction machinery .....	10,196	11,504	2,582	2,759	2,583	2,828	2,921	2,872	2,883	2,533	2,786	2,585	2,854	2,870	2,896	2,884		
44	Industrial engines, pumps, and compressors .....	9,176	10,099	2,284	2,317	2,482	2,434	2,488	2,399	2,778	2,284	2,317	2,482	2,434	2,488	2,399	2,778		
45	Machine tools and metalworking machinery .....	4,378	5,237	1,171	1,093	1,134	1,120	1,336	1,304	1,477	1,171	1,093	1,134	1,120	1,336	1,304	1,477		
46	Measuring, testing, and control instruments .....	7,940	8,973	1,978	1,954	2,147	2,216	2,251	2,214	2,292	1,927	2,030	2,115	2,225	2,196	2,299	2,253		
47	Other industrial, agricultural, and service industry machinery .....	32,084	37,289	8,016	8,179	8,597	8,766	9,337	9,235	9,951	7,785	8,266	8,646	8,890	9,082	9,297	10,020		
48	Computers, peripherals, and parts .....	33,320	39,641	7,845	7,993	9,505	9,230	9,089	9,713	11,609	8,008	8,506	8,949	9,095	9,274	10,353	10,919		
49	Semiconductors .....	25,178	34,106	6,018	6,393	6,903	7,489	8,190	8,932	9,495	5,980	6,406	6,919	7,508	8,169	8,920	9,509		
50	Telecommunications equipment .....	16,297	19,805	4,046	4,290	4,353	4,506	4,721	5,013	5,565	4,044	4,198	4,396	4,455	4,726	5,088	5,536		
51	Other office and business machines .....	2,465	2,719	613	613	656	634	678	666	741	605	633	638	642	669	688	720		
52	Scientific, hospital, and medical equipment and parts .....	11,522	13,063	2,837	2,820	2,996	3,108	3,142	3,255	3,558	2,821	2,914	2,997	3,030	3,125	3,346	3,562		
53	Civilian aircraft, engines, parts .....	31,475	26,178	8,477	7,043	7,464	6,249	7,772	5,806	6,351	8,475	7,120	7,343	6,296	7,768	5,891	6,223		
54	Civilian aircraft, complete, all types .....	18,704	12,887	5,316	3,941	4,085	3,191	4,463	2,439	2,794	5,316	3,941	4,085	3,191	4,463	2,439	2,794		
55	Other transportation equipment .....	1,685	1																



**Table 2.—U.S. Merchandise Trade—Continued**  
[Millions of dollars]

Line		1994	1995 <sup>P</sup>	Not seasonally adjusted								Seasonally adjusted							
				1994			1995					1994			1995				
				II	III	IV	I <sup>r</sup>	II	III <sup>r</sup>	IV <sup>P</sup>	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>		
C	Merchandise trade, by principal end-use category, adjusted to balance of payments basis, excluding military—Continued:																		
74	Merchandise imports, balance of payments basis, excluding military (A-16)	668,584	749,348	162,950	173,835	181,655	177,592	190,029	190,334	191,393	164,224	172,011	177,414	182,784	191,321	188,376	186,867		
75	Petroleum and products <sup>7</sup>	51,276	55,069	12,822	15,270	12,869	12,896	14,538	14,157	13,478	12,873	15,149	12,782	13,075	14,575	14,046	13,373		
76	Nonpetroleum products	617,308	694,279	150,128	158,565	168,786	164,696	175,491	176,177	177,915	151,351	156,862	164,632	169,709	176,746	174,330	173,494		
77	Foods, feeds, and beverages	30,958	33,179	7,665	7,799	8,208	8,475	8,206	8,051	8,447	7,623	8,008	7,985	8,501	8,157	8,290	8,231		
78	Agricultural	22,007	24,088	5,538	5,395	5,694	6,418	6,031	5,634	6,005	5,452	5,670	5,656	6,229	5,939	5,950	5,970		
79	Coffee, cocoa, and sugar	3,259	4,075	601	1,066	949	1,231	939	1,005	900	601	1,066	949	1,231	939	1,005	900		
80	Green coffee	2,270	2,986	362	746	784	912	754	634	686	362	746	784	912	754	634	686		
81	Meat products and poultry	3,916	3,928	1,061	941	893	1,077	1,033	911	907	1,061	941	893	1,077	1,033	911	907		
82	Vegetables, fruits, nuts, and preparations	5,943	6,465	1,589	1,156	1,409	1,985	1,714	1,299	1,467	1,504	1,473	1,528	1,576	1,624	1,661	1,604		
83	Wine and related products	2,133	2,371	552	557	613	467	577	604	723	530	549	544	578	552	597	644		
84	Other agricultural foods, feeds, and beverages	6,754	7,248	1,733	1,676	1,829	1,659	1,767	1,814	2,008	1,755	1,641	1,743	1,766	1,790	1,776	1,916		
85	Nonagricultural (fish, distilled beverages, etc)	8,951	9,091	2,127	2,404	2,514	2,057	2,175	2,417	2,442	2,171	2,338	2,329	2,272	2,218	2,340	2,261		
86	Fish and shellfish	6,642	6,735	1,586	1,795	1,826	1,527	1,589	1,800	1,819	1,589	1,746	1,748	1,650	1,594	1,744	1,747		
87	Whiskey and other alcoholic beverages	1,827	1,843	417	490	565	415	418	493	517	457	472	458	508	456	471	408		
88	Industrial supplies and materials	164,863	183,900	40,886	43,548	42,593	44,678	49,497	45,386	44,339	40,576	43,562	42,731	44,830	49,139	45,443	44,488		
89	Agricultural	4,723	5,567	1,146	1,059	1,304	1,358	1,488	1,372	1,349	1,134	1,094	1,312	1,327	1,475	1,410	1,355		
90	Nonagricultural products	160,140	178,333	39,740	42,489	41,289	43,320	48,009	44,014	42,990	39,442	42,468	41,419	43,503	47,664	44,033	43,133		
91	Energy products	58,079	61,175	14,444	16,915	14,475	14,553	16,051	15,720	14,929	14,553	16,872	14,412	14,577	16,132	15,665	14,801		
92	Fuels and lubricants <sup>7 11</sup>	57,018	60,236	14,197	16,630	14,291	14,237	15,801	15,458	14,740	14,306	16,588	14,165	14,339	15,881	15,403	14,613		
93	Paper and paper base stocks	8,930	12,878	2,078	2,323	2,574	2,866	3,238	3,328	3,446	2,076	2,304	2,575	2,885	3,325	3,307	3,451		
94	Textile supplies and related materials	8,182	8,614	2,070	2,114	2,107	2,179	2,263	2,137	2,035	1,999	2,095	2,149	2,213	2,191	2,144	2,066		
95	Chemicals, excluding medicinals	21,358	25,532	5,257	5,305	5,647	6,566	6,689	6,194	6,083	5,139	5,476	5,803	6,327	6,551	6,396	6,258		
96	Building materials, except metals	12,602	12,723	3,264	3,279	3,127	3,066	3,252	3,248	3,157	3,118	3,205	3,271	3,153	3,120	3,190	3,260		
97	Other nonmetals	11,047	12,500	2,745	2,862	2,895	2,899	3,178	3,246	3,177	2,695	2,841	2,895	2,983	3,124	3,214	3,179		
98	Metals and nonmetallic products	39,942	44,911	9,882	9,961	10,401	11,269	13,338	10,141	10,163	9,862	9,675	10,314	11,365	13,311	10,117	10,118		
99	Steelmaking materials	2,255	2,972	586	611	561	626	702	821	823	545	585	549	727	652	785	808		
100	Iron and steel products	16,122	16,183	3,915	4,177	4,404	4,302	4,338	3,863	3,680	3,972	4,176	4,304	4,310	4,409	3,860	3,604		
101	Nonferrous metals	16,728	20,253	4,150	3,618	4,204	4,994	6,826	4,110	4,323	4,150	3,625	4,211	4,975	6,821	4,114	4,343		
102	Nonmonetary gold	4,738	5,288	1,172	706	662	1,099	2,702	630	857	1,172	706	662	1,099	2,702	630	857		
103	Other precious metals	2,027	2,516	528	479	553	576	686	644	610	528	481	553	573	683	646	614		
104	Bauxite and aluminum	5,260	6,217	1,244	1,279	1,598	1,752	1,870	1,335	1,260	1,245	1,283	1,600	1,744	1,871	1,337	1,265		
105	Other nonferrous metals	4,703	6,232	1,206	1,154	1,391	1,567	1,568	1,501	1,596	1,205	1,155	1,396	1,559	1,565	1,501	1,607		
106	Other metallic and nonmetallic products	4,837	5,503	1,231	1,285	1,232	1,347	1,472	1,347	1,337	1,195	1,289	1,250	1,353	1,429	1,358	1,363		
107	Capital goods, except automotive	184,425	221,604	44,801	47,117	51,057	50,208	54,725	57,004	59,667	44,861	47,035	49,966	51,435	54,791	57,042	58,336		
108	Machinery, except consumer-type	171,476	209,139	41,379	44,084	47,694	47,102	51,443	53,979	56,615	41,439	44,003	46,603	48,329	51,509	54,017	55,284		
109	Electric generating machinery, electric apparatus and parts	20,029	24,170	4,932	5,200	5,434	5,693	6,076	6,213	6,188	4,856	5,179	5,387	5,838	5,974	6,230	6,128		
110	Nonelectric, including parts and attachments	151,447	184,969	36,447	38,884	42,260	41,409	45,367	47,766	50,427	36,583	38,824	41,216	42,491	45,535	47,787	49,156		
111	Oil drilling, mining, and construction machinery	5,325	5,478	1,427	1,290	1,365	1,488	1,582	1,249	1,149	1,323	1,319	1,448	1,495	1,475	1,286	1,222		
112	Industrial engines, pumps, and compressors	5,758	6,169	1,473	1,484	1,490	1,483	1,592	1,546	1,548	1,436	1,477	1,520	1,495	1,549	1,556	1,569		
113	Machine tools and metalworking machinery	5,163	6,651	1,290	1,257	1,421	1,470	1,815	1,659	1,707	1,287	1,252	1,431	1,454	1,814	1,673	1,710		
114	Measuring, testing, and control instruments	4,641	5,597	1,139	1,163	1,265	1,304	1,424	1,414	1,455	1,144	1,185	1,231	1,310	1,428	1,434	1,425		
115	Other industrial, agricultural, and service industry machinery	31,851	36,700	7,959	8,074	8,377	8,931	9,752	9,076	8,941	7,759	8,178	8,432	8,917	9,528	9,281	8,974		
116	Computers, peripherals, and parts	46,160	56,396	10,840	11,961	13,439	11,986	12,972	14,851	16,587	11,101	11,901	12,664	12,736	13,275	14,727	15,658		
117	Semiconductors	26,157	39,130	6,025	6,771	7,659	7,919	9,224	10,509	11,478	6,064	6,792	7,555	7,978	9,293	10,508	11,351		
118	Telecommunications equipment	14,185	15,250	3,335	3,745	3,948	3,691	3,659	3,883	4,017	3,451	3,651	3,746	3,860	3,769	3,803	3,818		
119	Other office and business machines	6,242	6,870	1,524	1,599	1,648	1,625	1,686	1,834	1,725	1,553	1,566	1,610	1,654	1,720	1,802	1,694		
120	Scientific, hospital, and medical equipment and parts	5,965	6,728	1,435	1,540	1,648	1,512	1,651	1,745	1,820	1,465	1,503	1,579	1,592	1,684	1,717	1,735		
121	Transportation equipment, except automotive	12,949	12,465	3,422	3,033	3,363	3,106	3,282	3,025	3,052	3,422	3,032	3,363	3,106	3,282	3,025	3,052		
122	Civilian aircraft, engines, parts	11,299	10,684	3,060	2,444	2,957	2,633	2,793	2,597	2,661	3,060	2,444	2,957	2,633	2,793	2,597	2,661		
123	Civilian aircraft, complete, all types	3,698	3,566	1,046	641	983	951	954	754	907	1,046	641	983	951	954	754	907		
124	Automotive vehicles, engines, and parts	118,269	124,485	29,683	28,199	33,693	32,071	32,838	28,436	31,140	29,001	30,639	31,775	32,355	32,034	30,774	29,322		
125	From Canada	42,250	45,079	11,167	9,855	12,377	11,680	11,743	9,749	11,907	10,184	11,151	11,871	12,085	10,704	10,923	11,367		
126	Passenger cars, new and used	22,158	24,678	5,936	5,408	7,07													

Table 3.—Private Service Transactions  
[Millions of dollars]

Line		1994	1995 <sup>a</sup>	Not seasonally adjusted								Seasonally adjusted							
				1994				1995				1994				1995			
				I	II	III	IV	I	II	III <sup>b</sup>	IV <sup>b</sup>	I	II	III	IV	I <sup>c</sup>	II <sup>c</sup>	III <sup>c</sup>	IV <sup>c</sup>
1	Exports of private services .....	185,419	195,384	43,503	44,600	50,552	46,765	46,530	47,258	52,688	48,908	44,847	45,861	47,044	47,666	47,886	48,510	49,143	49,845
2	Travel (table 1, line 5) .....	60,406	60,278	13,129	14,872	18,226	14,179	13,558	14,948	17,738	14,034	14,742	14,999	15,297	15,368	15,187	15,016	14,751	15,323
3	Passenger fares (table 1, line 6) .....	17,477	18,213	3,944	4,213	5,301	4,019	4,196	4,395	5,352	4,270	4,251	4,349	4,467	4,409	4,509	4,523	4,506	4,675
4	Other transportation (table 1, line 7) .....	26,078	28,553	5,992	6,324	6,689	7,073	6,803	7,091	7,312	7,347	6,103	6,357	6,601	7,017	6,923	7,122	7,222	7,287
5	Freight .....	9,836	11,037	2,247	2,459	2,490	2,641	2,522	2,807	2,809	2,899	2,247	2,459	2,490	2,641	2,522	2,807	2,809	2,899
6	Port services .....	15,213	16,400	3,488	3,605	3,942	4,179	4,004	4,007	4,227	4,164	3,598	3,639	3,853	4,123	4,123	4,038	4,137	4,103
7	Other .....	1,029	1,117	258	260	258	254	278	276	285	285	258	260	258	258	278	278	276	285
8	Royalties and license fees (table 1, line 8) .....	22,436	25,852	5,050	5,348	5,671	6,368	5,948	6,377	6,445	7,082	5,345	5,458	5,840	5,793	6,291	6,504	6,622	6,435
9	Affiliated .....	17,628	20,657	3,876	4,159	4,462	5,131	4,880	5,082	5,133	5,762	4,170	4,269	4,632	4,557	5,022	5,209	5,310	5,115
10	U.S. parents' receipts .....	16,611	19,285	3,667	3,944	4,181	4,819	4,364	4,735	4,786	5,400	3,942	4,049	4,307	4,313	4,681	4,858	4,911	4,835
11	U.S. affiliates' receipts .....	1,017	1,371	209	215	281	312	315	347	347	362	228	220	325	244	341	351	399	280
12	Unaffiliated .....	4,808	5,196	1,175	1,189	1,208	1,236	1,269	1,295	1,312	1,320	1,175	1,189	1,208	1,236	1,269	1,295	1,312	1,320
13	Industrial processes <sup>1</sup> .....	2,964	3,171	717	734	744	759	777	791	800	800	727	734	744	759	777	791	800	804
14	Other <sup>2</sup> .....	1,844	2,024	449	455	464	477	492	504	512	516	449	455	464	477	492	504	512	516
15	Other private services (table 1, line 9) .....	59,022	62,488	15,388	13,843	14,665	15,126	16,025	14,447	15,841	16,175	14,406	14,698	14,839	15,079	14,976	15,345	16,042	16,125
16	Affiliated .....	17,215	18,358	3,890	4,254	4,180	4,891	4,159	4,432	4,701	5,066	4,030	4,269	4,359	4,557	4,300	4,444	4,909	4,706
17	U.S. parents' receipts .....	10,765	10,879	2,471	2,690	2,577	3,027	2,492	2,720	2,682	2,984	2,584	2,688	2,648	2,845	2,607	2,719	2,756	2,797
18	U.S. affiliates' receipts .....	6,450	7,480	1,419	1,564	1,603	1,864	1,667	1,712	2,019	2,082	1,446	1,581	1,711	1,712	1,693	1,725	2,153	1,909
19	Unaffiliated services .....	41,807	44,129	11,498	9,589	11,886	10,235	11,866	10,014	11,140	11,109	10,376	10,429	10,480	10,522	10,676	10,901	11,133	11,419
20	Education .....	7,140	7,582	2,861	920	1,846	1,513	3,033	972	1,150	1,620	1,739	1,759	1,842	1,800	1,843	1,859	1,951	1,929
21	Financial services .....	6,962	7,673	1,836	1,786	1,649	1,691	1,623	1,862	1,950	2,239	1,836	1,786	1,649	1,691	1,623	1,862	1,950	2,239
22	Insurance, net .....	1,640	1,790	386	404	419	431	440	446	451	386	404	419	431	440	419	431	446	451
23	Premiums received .....	5,389	5,776	1,289	1,332	1,369	1,399	1,423	1,441	1,453	1,459	1,289	1,332	1,369	1,399	1,423	1,441	1,453	1,459
24	Losses paid .....	3,749	3,987	902	928	950	969	984	995	1,002	1,006	902	928	950	969	984	995	1,002	1,006
25	Telecommunications .....	2,757	2,729	693	690	688	686	684	683	682	681	693	690	688	686	684	683	682	681
26	Business, professional, and technical services .....	14,813	15,556	3,567	3,714	3,765	3,768	3,861	3,873	3,917	3,906	3,567	3,714	3,765	3,768	3,861	3,873	3,917	3,906
27	Other unaffiliated services <sup>3</sup> .....	8,495	8,800	2,155	2,075	2,118	2,147	2,226	2,180	2,184	2,211	2,155	2,075	2,118	2,147	2,226	2,180	2,184	2,211
28	Imports of private services .....	125,902	133,096	28,444	32,084	34,760	30,615	29,654	34,300	36,570	32,572	30,937	31,143	31,870	31,953	32,323	33,288	33,557	33,931
29	Travel (table 1, line 19) .....	43,562	45,496	8,857	11,835	13,272	9,598	9,068	12,594	13,623	10,211	10,736	10,826	10,929	11,072	11,051	11,515	11,162	11,768
30	Passenger fares (table 1, line 20) .....	12,696	13,385	2,687	3,365	3,742	2,902	2,892	3,542	3,799	3,152	3,013	3,218	3,289	3,176	3,231	3,378	3,335	3,442
31	Other transportation (table 1, line 21) .....	26,373	29,505	6,597	6,972	7,526	7,276	7,206	7,382	7,676	7,241	6,705	7,014	7,355	7,299	7,320	7,421	7,502	7,263
32	Freight .....	16,444	17,112	3,767	4,014	4,328	4,335	4,357	4,235	4,366	4,154	3,767	4,014	4,328	4,335	4,357	4,235	4,366	4,154
33	Port services .....	11,011	11,477	2,593	2,734	2,976	2,708	2,615	2,919	3,081	2,862	2,707	2,772	2,799	2,733	2,735	2,954	2,901	2,888
34	Other .....	919	916	237	224	222	236	234	228	229	224	231	228	228	228	228	232	235	220
35	Royalties and license fees (table 1, line 22) .....	5,666	6,561	1,527	1,240	1,406	1,494	1,483	1,551	1,742	1,746	1,570	1,283	1,384	1,429	1,535	1,614	1,712	1,701
36	Affiliated .....	3,852	5,047	897	841	990	1,124	1,108	1,173	1,361	1,405	984	968	1,060	1,160	1,160	1,236	1,331	1,319
37	U.S. parents' payments .....	248	392	64	59	55	70	78	98	111	106	64	59	55	70	78	98	111	106
38	U.S. affiliates' payments .....	3,604	4,654	833	782	935	1,054	1,030	1,075	1,250	1,299	876	825	913	990	1,082	1,138	1,220	1,213
39	Unaffiliated .....	1,814	1,516	630	399	416	369	375	378	381	382	630	399	416	369	375	378	381	382
40	Industrial processes <sup>1</sup> .....	1,090	1,134	272	271	272	275	280	283	285	286	272	271	272	275	280	283	285	286
41	Other <sup>2</sup> .....	724	382	358	128	144	95	95	95	96	96	358	128	144	95	95	95	96	96
42	Other private services (table 1, line 23) .....	35,605	38,148	8,776	8,672	8,814	9,343	9,005	9,231	9,730	10,182	8,913	8,802	8,913	8,977	9,186	9,360	9,846	9,757
43	Affiliated .....	11,602	13,385	2,624	2,842	2,824	3,312	2,978	3,132	3,390	3,885	2,771	2,942	2,909	2,980	3,170	3,229	3,492	3,497
44	U.S. parents' payments .....	5,593	6,432	1,203	1,396	1,349	1,645	1,342	1,517	1,581	1,992	1,366	1,409	1,414	1,414	1,538	1,531	1,650	1,714
45	U.S. affiliates' payments .....	6,009	6,954	1,421	1,446	1,475	1,667	1,636	1,615	1,809	1,893	1,405	1,533	1,505	1,566	1,632	1,698	1,842	1,783
46	Unaffiliated services .....	24,003	24,761	6,152	5,830	5,991	6,030	6,027	6,099	6,339	6,296	6,142	5,860	6,004	5,997	6,016	6,131	6,354	6,260
47	Education .....	791	834	162	197	243	189	170	208	256	200	194	197	199	202	204	208	210	213
48	Financial services .....	6,835	6,943	2,001	1,595	1,711	1,528	1,614	1,636	1,850	1,843	2,001	1,595	1,711	1,528	1,614	1,636	1,850	1,843
49	Insurance, net .....	3,405	3,533	822	841	861	881	903	918	929	784	822	841	861	881	903	918	929	784
50	Premiums paid .....	13,353	14,119	3,209	3,307	3,387	3,449	3,492	3,524	3,546	3,557	3,209	3,307	3,387	3,449	3,492	3,524	3,546	3,557
51	Losses recovered .....	9,948	10,585	2,387	2,466	2,527	2,568	2,590	2,606	2,617	2,773	2,387	2,466	2,527	2,568	2,590	2,606	2,617	2,773
52	Telecommunications .....	6,828	7,192	1,665	1,696	1,721	1,746	1,772	1,807	1,802	1,811	1,665	1,696	1,721	1,746	1,772	1,807	1,802	1,811
53	Business, professional, and technical services .....	4,227	4,272	1,002	1,053	1,041	1,131	1,045	1,067	1,077	1,083	1,002	1,053	1,041	1,131	1,045	1,067	1,077	1,083
54	Other unaffiliated services <sup>3</sup> .....	1,916	1,986	499	449	414	555	523	463	426	575	457	479	471	509	478	496	487	526
Memoranda:																			
55	Balance on merchandise trade (table 1, line 64) .....	-166,099	-174,469	-31,544	-38,148	-49,935	-46,472	-38,706	-45,229	-49,529	-41,005	-36,490	-41,494	-44,627	-43,488	-44,459	-48,654	-43,326	-38,030
56	Balance on private services (line 1 minus line 28) .....	59,517	62,288	15,059	12,516	15,792	16,150	16,876	12,958	16,118	16,336	13,910	14,718	15,174	15,713	15,563	15,222	15,586	15,914
57	Balance on goods and private services (lines 55 and 56) .....	-106,582	-112,181	-16,485	-25,632	-34,143	-30,322	-21,830	-32,271	-33,411	-24,669	-22,580	-26,776	-29,453	-27,775	-28,896	-33,432	-27,740	-22,116

See footnotes on page 81.

Table 4.—Selected U.S. Government Transactions

[Millions of dollars]

Line		1994	1995 <sup>P</sup>	Not seasonally adjusted							
				1994				1995			
				I	II	III	IV	I	II	III <sup>P</sup>	IV <sup>P</sup>
A1	<b>U.S. Government grants and transactions increasing Government assets, total</b> .....	<b>21,180</b>	<b>15,705</b>	<b>3,088</b>	<b>4,854</b>	<b>5,113</b>	<b>8,124</b>	<b>4,062</b>	<b>3,111</b>	<b>4,407</b>	<b>4,126</b>
	<b>By category</b>										
2	Grants, net (table 1, line 30, with sign reversed) .....	15,814	11,027	2,378	3,703	3,488	6,245	2,867	2,284	2,942	2,934
3	Financing military purchases <sup>1</sup> .....	5,063	2,489	682	842	1,092	2,447	627	432	514	916
4a	Other grants .....	10,750	8,538	1,696	2,861	2,396	3,798	2,239	1,852	2,428	2,018
4b	Cash contributions received from coalition partners for Persian Gulf operations .....										
5	Credits and other long-term assets (table 1, line 40, with sign reversed) .....	5,182	4,744	747	983	1,205	2,247	1,578	813	1,193	1,160
6	Capital subscriptions and contributions to international financial institutions, excluding IMF .....	1,417	1,498	222	349	396	451	312	258	403	526
7	Credits repayable in U.S. dollars .....	3,210	2,661	388	507	657	1,658	1,121	416	640	484
8	Credits repayable in other than U.S. dollars .....	4	-11	1	-1	-1	6	3	-1	-9	-3
9	Other long-term assets .....	550	595	136	128	153	133	143	141	159	153
10	Foreign currency holdings and short-term assets, net (table 1, line 42 with sign reversed) .....	184	-66	-37	168	421	-368	-383	14	272	31
11	Foreign currency holdings (excluding administrative cash holdings), net .....	3	-19	5	-15	16	-2	9	-37	17	-8
	Receipts from:										
12	Sales of agricultural commodities .....	(*)	(*)	(*)	-1	(*)	(*)	(*)	(*)	(*)	(*)
13	Interest .....	13	10	5	3	3	2	3	3	4	1
14	Repayments of principal .....	38	33	14	10	9	6	9	11	10	3
15	Reverse grants .....										
16	Other sources .....	14	26	2	3	5	5	3	2	17	4
	Less currencies disbursed for:										
17	Grants and credits in the recipient's currency .....	3	3	(*)	3			3	(*)	(*)	
18	Other grants and credits .....										
19	Other U.S. Government expenditures .....	58	85	16	28	(*)	14	4	52	13	16
20	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net .....	73	-166	-107	167	427	-414	-382	17	115	85
21	Other assets held under Commodity Credit Corporation Charter Act, net .....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
22	Assets financing military sales contracts, net <sup>2</sup> .....										
23	Other short-term assets (including changes in administrative cash holdings), net .....	108	119	66	17	-23	48	-10	34	140	-46
	<b>By program</b>										
24	Capital subscriptions and contributions to international financial institutions, excluding IMF .....	1,417	1,498	222	349	396	451	312	258	403	526
25	Under Agricultural Trade Development and Assistance Act and related programs .....	1,995	1,048	346	556	444	649	242	238	259	310
26	Under Foreign Assistance Act and related programs .....	13,413	9,632	2,069	2,483	3,216	5,647	2,429	2,011	2,579	2,613
27	Under Export-Import Bank Act .....	1,045	1,177	147	343	239	316	394	122	511	150
28	Under Commodity Credit Corporation Charter Act .....	1,663	445	-85	842	436	470	105	86	122	132
29	Under other grant and credit programs .....	981	1,207	182	149	238	413	435	259	217	296
30	Other foreign currency assets acquired (lines A13, A14, and A16) .....	65	69	21	16	16	12	15	16	30	8
31	Less foreign currencies used by U.S. Government other than for grants or credits (line A19) .....	58	85	16	28	(*)	14	4	52	13	16
32	Other (including changes in administrative cash holdings), net .....	658	715	202	145	130	181	133	175	299	108
	<b>By disposition</b> <sup>3</sup>										
33	Estimated transactions involving no direct dollar outflow from the United States .....	14,703	10,025	2,035	3,683	3,723	5,262	2,532	1,964	2,998	2,531
34	Expenditures on U.S. merchandise .....	5,747	3,767	820	900	1,086	2,942	756	714	1,118	1,179
35	Expenditures on U.S. services <sup>4</sup> .....	2,921	3,056	563	566	851	941	746	638	1,089	583
36	Financing of military sales contracts by U.S. Government <sup>5</sup> (line C6) .....	3,661	2,451	671	1,005	1,251	734	681	526	599	645
37	By long-term credits .....	662	518	48	200	221	193	104	126	122	166
38	By short-term credits <sup>1</sup> .....										
39	By grants <sup>1</sup> .....	2,999	1,934	622	806	1,030	542	577	400	478	479
40	U.S. Government grants and credits to repay prior U.S. Government credits <sup>1,4</sup> .....	1,459	248	92	1,070	85	212	78	28	88	54
41	U.S. Government long- and short-term credits to repay prior U.S. private credits <sup>6</sup> and other assets .....	1,306	627	164	190	483	468	303	116	123	86
42	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line C11) .....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
43	Less receipts on short-term U.S. Government assets (a) financing military sales contracts <sup>1</sup> (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. merchandise .....	332	40	258	20	33	22	28	5	7	(*)
44	Less foreign currencies used by U.S. Government other than for grants or credits (line A19) .....	58	85	16	28	(*)	14	4	52	13	16
45	Estimated dollar payments to foreign countries and international financial institutions .....	6,476	5,681	1,053	1,171	1,390	2,863	1,530	1,147	1,409	1,595
B1	<b>Repayments on U.S. Government long-term assets, total (table 1, line 41)</b> .....	<b>5,044</b>	<b>4,352</b>	<b>1,111</b>	<b>1,642</b>	<b>1,343</b>	<b>948</b>	<b>1,043</b>	<b>647</b>	<b>1,711</b>	<b>951</b>
2	Receipts of principal on U.S. Government credits .....	4,467	3,595	961	1,507	1,199	800	884	488	1,554	669
3	Under Agricultural Trade Development and Assistance Act and related programs .....	679	268	35	254	112	280	43	39	104	81
4	Under Foreign Assistance Act and related programs .....	1,705	1,866	492	257	771	185	542	265	850	210
5	Under Export-Import Bank Act .....	1,005	1,228	342	247	251	164	244	144	540	300
6	Under Commodity Credit Corporation Charter Act .....	950	229	92	746	65	47	53	38	60	78
7	Under other credit programs .....	127	5	(*)	3	1	123	2	3	(*)	(*)
8	Receipts on other long-term assets .....	577	757	150	135	144	148	158	159	157	283
C1	<b>U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 53)</b> .....	<b>2,211</b>	<b>1,814</b>	<b>851</b>	<b>174</b>	<b>494</b>	<b>692</b>	<b>-154</b>	<b>506</b>	<b>89</b>	<b>1,373</b>
2	Associated with military sales contracts <sup>2</sup> .....	2,250	1,783	877	180	498	695	-182	482	110	1,373
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds. <sup>1</sup> .....	10,724	11,911	2,465	1,864	2,942	3,453	2,409	2,808	2,733	3,962
4	Less U.S. Government receipts from principal repayments .....	741	797	316	93	311	21	358	85	307	47
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States .....	-1,022	-892	-748	-488	-234	448	-84	-280	-454	-74
6	Plus financing of military sales contracts by U.S. Government <sup>5</sup> (line A36) .....	3,661	2,451	671	1,005	1,251	734	681	526	599	645
7	By long-term credits .....	662	518	48	200	221	193	104	126	122	166
8	By short-term credits <sup>1</sup> .....										
9	By grants <sup>1</sup> .....	2,999	1,934	622	806	1,030	542	577	400	478	479
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits)/1 2/ (table 1, line 4) .....	12,418	12,674	2,691	3,085	3,619	3,023	2,997	3,047	3,369	3,261
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line A42) .....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
12	Associated with other liabilities .....	-39	31	-25	-7	-4	-3	28	23	-21	(*)
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation .....	-32	2	-5	-8	-11	-8	(*)	1	1	1
14	Sales of space launch and other services by National Aeronautics and Space Administration .....	9	35	-15	9	15	-1	13	22	-3	3
15	Other sales and miscellaneous operations .....	-15	-7	-5	-7	-8	5	15	1	-18	-4

See footnotes on page B1.

Table 5.—Direct Investment: Income, Capital, Royalties and License Fees, and Other Private Services  
[Millions of dollars]

Line	(Credits +; debits -)	1994	1995 <sup>a</sup>	Not seasonally adjusted								Seasonally adjusted							
				1994				1995				1994				1995			
				I	II	III	IV	I	II	III <sup>c</sup>	IV <sup>c</sup>	I	II	III	IV	I <sup>c</sup>	II <sup>c</sup>	III <sup>c</sup>	IV <sup>c</sup>
	<b>U.S. direct investment abroad:</b>																		
1	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 12) .....	67,702	91,195	15,252	16,065	17,528	18,857	21,332	23,174	21,458	25,230	15,255	15,569	18,145	18,734	21,352	22,476	22,151	25,215
2	Earnings .....	65,784	88,934	14,879	15,691	16,973	18,242	20,762	22,566	20,932	24,675	14,882	15,194	17,590	18,119	20,782	21,868	21,625	24,660
3	Distributed earnings .....	31,065	30,048	6,528	6,071	6,463	12,003	6,371	6,882	6,304	10,491	7,485	7,144	8,530	7,907	7,176	7,931	8,122	6,819
4	Reinvested earnings .....	34,718	58,886	8,351	9,619	10,510	6,239	14,391	15,684	14,628	14,184	7,397	8,050	9,060	10,212	13,606	13,937	13,503	17,840
5	Interest <sup>1</sup> .....	1,919	2,261	373	375	555	615	571	609	526	556	373	375	555	616	571	609	526	556
6	U.S. parents' receipts .....	4,549	5,595	987	1,097	1,171	1,293	1,303	1,443	1,405	1,444	987	1,097	1,171	1,293	1,303	1,443	1,405	1,444
7	U.S. parents' payments .....	-2,630	-3,334	-614	-722	-616	-678	-733	-834	-878	-889	-614	-722	-616	-678	-733	-834	-878	-889
8	Less: Current-cost adjustment .....	1,672	1,897	395	410	425	442	459	472	481	485	395	410	425	442	459	472	481	485
9	Less: Withholding taxes .....	1,241	1,208	268	252	260	461	330	247	265	365	297	279	317	348	354	265	315	275
10	<b>Equals: Income without current-cost adjustment, after deduction of withholding taxes<sup>2</sup> .....</b>	<b>64,789</b>	<b>88,090</b>	<b>14,589</b>	<b>15,404</b>	<b>16,843</b>	<b>17,954</b>	<b>20,543</b>	<b>22,456</b>	<b>20,712</b>	<b>24,380</b>	<b>14,562</b>	<b>14,879</b>	<b>17,404</b>	<b>17,944</b>	<b>20,539</b>	<b>21,740</b>	<b>21,356</b>	<b>24,456</b>
11	Petroleum .....	7,440	9,142	1,856	1,466	1,896	2,222	2,181	2,264	2,108	2,589	1,812	1,634	1,896	2,097	2,135	2,493	2,076	2,437
12	Manufacturing .....	28,595	38,138	5,846	7,179	7,184	8,386	9,377	9,853	8,709	10,200	5,863	6,486	7,745	8,501	9,419	9,808	9,384	10,428
13	Other .....	28,754	40,811	6,887	6,759	7,763	7,346	8,985	10,339	9,896	11,591	6,887	6,759	7,763	7,346	8,985	10,339	9,896	11,591
14	Capital with current-cost adjustment (table 1, line 44) .....	-49,370	-96,897	-20,600	-9,320	-11,504	-7,946	-23,401	-18,988	-17,287	-37,221	-19,646	-7,750	-10,055	-11,920	-22,616	-17,241	-16,162	-40,878
15	Equity capital .....	-11,698	-41,617	-2,697	-1,988	-3,061	-3,952	-5,308	1,631	-8,026	-29,913	-2,697	-1,988	-3,061	-3,952	-5,308	1,631	-8,026	-29,913
16	Increases in equity capital <sup>3</sup> .....	-20,448	-52,677	-4,223	-4,314	-4,618	-7,293	-7,157	-3,725	-10,428	-31,367	-4,223	-4,314	-4,618	-7,293	-7,157	-3,725	-10,428	-31,367
17	Decreases in equity capital <sup>4</sup> .....	8,750	11,060	1,526	2,326	1,557	3,341	1,848	5,356	2,403	1,453	1,526	2,326	1,557	3,341	1,848	5,356	2,403	1,453
18	Reinvested earnings .....	-34,718	-58,886	-8,351	-9,619	-10,510	-6,239	-14,391	-15,684	-14,628	-14,184	-7,397	-8,050	-9,060	-10,212	-13,606	-13,937	-13,503	-17,840
19	Intercompany debt .....	-2,954	3,607	-9,552	2,288	2,066	2,244	-3,702	-4,934	5,367	6,876	-9,552	2,288	2,066	2,244	-3,702	-4,934	5,367	6,876
20	U.S. parents' receivables .....	-7,184	-3,098	-6,836	-3,217	-1,995	5,918	-7,703	-4,998	1,684	7,918	-6,836	-4,271	-1,995	5,918	-7,703	-4,998	1,684	7,918
21	U.S. parents' payables .....	4,230	6,705	-2,717	6,558	4,061	-3,674	4,001	64	3,683	-1,043	-2,717	6,558	4,061	-3,674	4,001	64	3,683	-1,043
22	Less: Current-cost adjustment (line 8 with sign reversed) .....	-1,672	-1,897	-395	-410	-425	-442	-459	-472	-481	-485	-395	-410	-425	-442	-459	-472	-481	-485
23	<b>Equals: Capital without current-cost adjustment<sup>2</sup> .....</b>	<b>-47,698</b>	<b>-95,000</b>	<b>-20,205</b>	<b>-8,910</b>	<b>-11,079</b>	<b>-7,504</b>	<b>-22,942</b>	<b>-18,516</b>	<b>-16,806</b>	<b>-36,736</b>	<b>-19,251</b>	<b>-7,340</b>	<b>-9,630</b>	<b>-11,478</b>	<b>-22,157</b>	<b>-16,769</b>	<b>-15,681</b>	<b>-40,393</b>
24	Equity capital (line 15) .....	-11,698	-41,617	-2,697	-1,988	-3,061	-3,952	-5,308	1,631	-8,026	-29,913	-2,697	-1,988	-3,061	-3,952	-5,308	1,631	-8,026	-29,913
25	Petroleum .....	-904	684	-194	-223	-297	-189	-131	2,460	-490	-1,155	-194	-223	-297	-189	-131	2,460	-490	-1,155
26	Manufacturing .....	-4,133	-20,205	-1,274	-831	-22	-2,007	-3,192	-1,280	-947	-14,786	-1,274	-831	-22	-2,007	-3,192	-1,280	-947	-14,786
27	Other .....	-6,661	-22,096	-1,229	-934	-2,742	-1,756	-1,985	451	-6,589	-13,973	-1,229	-934	-2,742	-1,756	-1,985	451	-6,589	-13,973
28	Reinvested earnings without current-cost adjustment (line 18 less line 22) .....	-33,046	-56,989	-7,956	-9,209	-10,085	-5,797	-13,932	-15,212	-14,147	-13,699	-7,002	-7,640	-8,635	-9,770	-13,147	-13,465	-13,022	-17,355
29	Petroleum .....	-1,209	-2,829	-648	-412	-645	-328	-1,052	-372	-610	-795	-682	-365	-778	-1,117	-275	-247	-1,190	-1,900
30	Manufacturing .....	-16,785	-27,361	-3,483	-5,221	-5,031	-3,051	-6,537	-7,557	-6,394	-8,057	-3,941	-3,942	-4,987	-4,806	-6,237	-6,165	-6,683	-8,277
31	Other .....	-15,052	-26,800	-3,825	-4,401	-4,409	-2,418	-6,343	-7,283	-7,143	-6,032	-3,264	-4,320	-3,283	-4,186	-5,793	-7,025	-6,093	-7,888
32	Intercompany debt (line 19) .....	-2,954	3,607	-9,552	2,288	2,066	2,244	-3,702	-4,934	5,367	6,876	-9,552	2,288	2,066	2,244	-3,702	-4,934	5,367	6,876
33	Petroleum .....	-671	-1,396	-237	-527	-471	564	378	-2,663	673	216	-237	-527	-471	564	378	-2,663	673	216
34	Manufacturing .....	-3,907	-1,173	-4,804	1,344	485	-931	-2,150	871	-271	378	-4,804	1,344	485	-931	-2,150	871	-271	378
35	Other .....	1,624	6,175	-4,511	1,471	2,053	2,611	-1,929	-3,142	4,965	6,282	-4,511	1,471	2,053	2,611	-1,929	-3,142	4,965	6,282
36	Royalties and license fees, before deduction of withholding taxes, net .....	16,363	18,893	3,603	3,885	4,126	4,749	4,286	4,638	4,675	5,294	3,878	3,990	4,252	4,242	4,604	4,760	4,800	4,729
37	U.S. affiliates' receipts (table 1, part of line 8) .....	16,611	19,285	3,667	3,944	4,181	4,819	4,364	4,735	4,786	5,400	3,942	4,049	4,307	4,313	4,681	4,858	4,911	4,835
38	U.S. affiliates' payments (table 1, part of line 22) .....	-248	-392	-64	-59	-55	-70	-78	-98	-111	-106	-64	-59	-55	-70	-78	-98	-111	-106
39	Other private services, before deduction of withholding taxes, net .....	5,171	4,447	1,268	1,293	1,228	1,382	1,151	1,203	1,101	992	1,218	1,279	1,244	1,431	1,069	1,188	1,106	1,083
40	U.S. affiliates' receipts (table 1, part of line 9) .....	10,765	10,879	2,471	2,690	2,577	3,027	2,492	2,720	2,682	2,984	2,584	2,688	2,648	2,845	2,607	2,719	2,756	2,797
41	U.S. affiliates' payments (table 1, part of line 23) .....	-5,593	-6,432	-1,203	-1,396	-1,349	-1,645	-1,342	-1,517	-1,581	-1,992	-1,366	-1,409	-1,404	-1,414	-1,538	-1,531	-1,650	-1,714
<b>Foreign direct investment in the United States:</b>																			
42	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 26) .....	-22,621	-32,062	-3,539	-4,839	-7,306	-6,937	-6,938	-8,023	-9,268	-7,833	-3,705	-4,600	-7,001	-7,315	-7,100	-7,795	-8,972	-8,196
43	Earnings .....	-14,988	-23,724	-1,968	-2,705	-5,328	-4,987	-4,929	-5,790	-7,176	-5,829	-2,134	-2,466	-5,024	-5,365	-5,091	-5,662	-6,879	-6,192
44	Distributed earnings .....	-7,394	-10,175	-2,046	-1,935	-1,155	-2,259	-1,780	-2,525	-3,155	-3,715	-2,048	-2,418	-1,328	-1,998	-1,784	-2,069	-3,424	-2,358
45	Reinvested earnings .....	-7,594	-13,548	78	-770	-4,174	-1,977	-3,149	-3,265	-4,021	-3,114	-85	-448	-3,696	-3,367	-3,306	-2,954	-3,454	-3,834
46	Interest <sup>1</sup> .....	-7,633	-8,338	-1,571	-2,134	-1,977	-1,951	-2,009	-2,233	-2,093	-2,004	-1,571	-2,134	-1,977	-1,951	-2,009	-2,233	-2,093	-2,004
47	U.S. affiliates' payments .....	-10,399	-12,539	-2,180	-2,583	-2,644	-2,722	-3,016	-3,019	-3,183	-3,321	-2,180	-2,853	-2,644	-2,722	-3,016	-3,019	-3,183	-3,321
48	U.S. affiliates' receipts .....	2,766	4,202	609	719	666	772	1,007	787	1,090	1,318	609	719	666	772	1,007	787	1,090	1,318
49	Less: Current-cost adjustment .....	618	514	146	157	160	155	141	130	123	120	146	157	160	155	141	130	123	120
50	Less: Withholding taxes .....	-203	-217	-53	-56	-4													

Table 6.—Securities Transactions

[Millions of dollars]

Line	(Credits +; debits-)	1994	1995 <sup>a</sup>	Not seasonally adjusted							
				1994				1995			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>r</sup>
A1	Foreign securities, net U.S. purchases (-), (table 1, line 45 or lines 2 + 13 below)	-49,799	-93,769	-16,457	-7,128	-10,976	-15,238	-6,567	-21,731	-33,998	-31,473
2	Stocks, net U.S. purchases	-42,681	-47,230	-17,113	-11,486	-5,775	-8,307	-3,189	-9,256	-20,972	-13,813
3	New issues in the United States	-14,303	-8,371	-3,711	-4,737	-2,433	-3,422	-428	-2,216	-1,183	-4,544
4	Of which Western Europe	-8,075	-5,309	-2,090	-3,643	-1,078	-1,264	-152	-1,253	-715	-3,189
5	Canada	-201	-568	-	-45	-	-156	(1 <sup>b</sup> )	-156	-102	-310
6	Latin America	-2,992	-298	-774	-497	-1,144	-577	-	-69	-59	-170
7	Transactions in outstanding stocks, net	-28,378	-38,859	-13,402	-6,749	-3,342	-4,885	-2,761	-7,040	-19,789	-9,269
8	Western Europe	-6,030	-14,316	-778	1,034	-4,530	-1,756	-1,590	-3,292	-6,111	-3,323
9	Of which United Kingdom	-3,325	-7,222	-254	747	-2,019	-1,799	-1,333	-1,718	-2,573	-1,598
10	Canada	-2,161	909	-993	-452	-1,039	323	930	499	-628	108
11	Japan	-13,546	-18,631	-9,359	-4,135	1,001	-1,053	-147	-2,867	-11,415	-4,202
12	Other	-6,641	-6,821	-2,272	-3,196	1,226	-2,399	-1,954	-1,380	-1,635	-1,852
13	Bonds, net U.S. purchases	-7,118	-46,539	656	4,358	-5,201	-6,931	-3,378	-12,475	-13,026	-17,660
14	New issues in the United States	-48,213	-39,400	-15,339	-8,749	-12,972	-11,153	-6,436	-7,268	-12,838	-12,858
15	By issuer:										
16	Central governments and their agencies and corporation	-8,441	-3,095	-1,911	-2,842	-2,122	-1,566	-912	-532	-1,262	-389
17	Other governments and their agencies and corporation <sup>1</sup>	-28,143	-30,309	-8,126	-4,588	-7,980	-7,449	-4,040	-6,243	-9,226	-10,800
18	Private corporations	-1,075	-1,158	-150	-	-471	-454	-12	-283	-333	-530
19	By area:										
20	Western Europe	-13,818	-13,132	-2,651	-3,002	-4,687	-3,478	-2,877	-2,617	-3,028	-4,610
21	Canada	-8,059	-10,637	-4,150	-1,225	-1,893	-791	-1,880	-2,175	-4,152	-2,430
22	Latin America	-110	-330	-60	-	-	-50	-	-310	-	-20
23	Other countries	-11,559	-4,144	-3,278	-3,138	-2,851	-2,192	-71	-938	-1,536	-1,599
24	International financial institutions <sup>2</sup>	-13,592	-9,998	-5,050	-1,384	-2,970	-4,188	-1,596	-945	-3,788	-3,669
25	Redemptions of U.S.-held foreign bonds <sup>3</sup>	6,928	8,438	1,440	1,205	1,397	2,886	1,210	2,247	2,108	2,873
26	Western Europe	1,448	1,807	442	75	200	731	321	476	498	512
27	Canada	2,825	2,438	867	613	704	641	415	986	506	531
28	Other countries	1,593	2,294	-	517	330	746	474	512	904	404
29	International financial institutions <sup>2</sup>	1,062	1,899	131	-	163	768	-	273	200	1,426
30	Other transactions in outstanding bonds, net <sup>3</sup>	34,167	-15,577	14,555	11,902	6,374	1,336	1,848	-7,454	-2,296	-7,675
31	Western Europe	34,279	-14,340	14,500	15,759	4,323	-303	3,512	-8,151	-2,988	-6,713
32	Of which United Kingdom	30,456	-12,588	13,620	15,946	1,540	-650	3,249	-8,453	-2,352	-5,032
33	Canada	386	557	-942	696	282	350	288	-1,632	-1,160	3,061
34	Japan	-2,667	-5,211	-2,927	9	528	-271	-1,934	1,176	-2,830	-1,623
35	Other	2,169	3,417	3,924	-4,556	1,241	1,560	-18	1,153	4,682	-2,400
B1	U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 59 or lines 2 + 10 below)	58,625	94,576	21,117	12,551	14,762	10,195	15,816	20,549	30,977	27,234
2	Stocks, net foreign purchases	3,002	12,765	7,295	-2,213	690	-2,770	-3,911	1,941	4,823	9,912
3	By area:										
4	Western Europe	6,005	10,463	7,265	1,322	-158	-2,424	-2,032	341	2,298	9,856
5	Of which Germany	2,067	-1,887	1,845	591	15	-384	-464	-1,024	-247	-152
6	Switzerland	-120	-2,398	796	212	95	-1,223	-965	-1,380	-890	837
7	United Kingdom	484	7,591	2,333	150	-654	-1,345	-210	2,671	2,540	2,590
8	Canada	-1,383	-1,782	-91	-226	-682	-384	-249	-932	-672	71
9	Japan	1,134	-2,810	-1,394	-228	2,424	332	-1,742	-367	-1,558	857
10	Other	-2,754	6,894	1,515	-3,081	-894	-294	112	2,899	4,755	-872
11	Corporate and other bonds, net foreign purchases	55,623	81,811	13,822	14,764	14,072	12,965	19,727	18,608	26,154	17,322
12	By type:										
13	New issues sold abroad by U.S. corporations	40,862	59,261	9,104	8,749	10,304	12,705	16,499	12,107	16,279	14,376
14	U.S. federally-sponsored agency bonds, net	16,900	24,964	5,767	3,596	3,007	4,530	5,376	5,044	11,719	2,825
15	Other outstanding bonds, net	-2,139	-2,414	-1,049	2,419	761	-4,270	-2,148	1,457	-1,844	121
16	By area:										
17	Western Europe	35,991	68,824	8,657	5,558	11,974	9,802	17,921	14,726	18,919	17,258
18	Of which Germany	685	5,910	-80	-102	-258	1,125	1,890	590	2,175	1,255
19	Switzerland	1,072	548	364	96	96	516	176	-80	573	-121
20	United Kingdom	33,360	57,065	8,042	6,992	11,314	7,012	15,732	15,335	13,453	12,545
21	Canada	1,376	2,376	-153	50	768	711	680	640	701	355
22	Japan	5,541	2,310	-535	3,484	1,892	700	311	1,445	1,701	-1,147
23	Other countries	12,201	8,848	5,759	5,608	-571	1,405	1,029	1,892	5,007	920
24	International financial institutions <sup>2</sup>	514	-547	94	64	9	347	-214	-95	-174	-64
<b>Memoranda:</b>											
Other foreign transactions in marketable, long-term U.S. securities included elsewhere in international transactions accounts:											
Foreign official assets in the United States (lines in table 9):											
1	U.S. Treasury marketable bonds (line A4)	41,796	39,427	3,140	12,935	19,488	6,233	7,960	12,257	11,792	7,418
2	Other U.S. Government securities (line A6)	6,025	3,734	215	2,360	2,222	1,228	1,126	1,326	518	764
3	U.S. corporate and other bonds (part of line A14)	-18	220	-8	-111	-156	257	178	-457	-117	616
4	U.S. stocks (part of line A14)	-2,455	3,046	-745	-854	-644	-212	87	3,406	-111	-336
5	Other foreign transactions in U.S. Treasury bonds and no (table 9, line B4)	36,195	93,769	10,584	-12,476	9,309	28,778	24,743	31,050	34,902	3,074

See footnotes on page B1.



Table 7.—Claims on and Liabilities to Unaffiliated Foreigners Reported by U.S. Nonbanking Concerns

[Millions of dollars]

Line	(Credits +; increase in U.S. liabilities or decrease in U.S. assets. Debits -; decrease in U.S. liabilities or increase in U.S. assets.)	1994	Not seasonally adjusted								Amounts outstanding Sept. 30, 1995
			1994				1995				
			I	II	III	IV	I	II	III <sup>P</sup>	IV	
A1	Claims, total (table 1, line 46) .....	-32,621	-1,891	-10,230	-8,051	-12,449	-11,518	-18,499	9,659	n.a.	306,905
2	Financial claims .....	-30,235	-1,951	-9,473	-7,786	-11,025	-11,137	-17,935	10,008	n.a.	283,026
3	Denominated in U.S. dollars .....	-28,395	595	-11,261	-7,823	-9,906	-11,567	-18,417	14,161	n.a.	223,000
4	Denominated in foreign currencies .....	-1,840	-2,546	1,788	37	-1,119	430	482	-4,153	n.a.	60,026
5	By type: Deposits <sup>1</sup> .....	-30,695	-2,092	-9,899	-7,802	-10,902	-9,478	-17,906	10,416	n.a.	278,973
6	Other claims <sup>1,2</sup> .....	460	141	426	16	-123	-1,659	-29	-408	n.a.	4,053
7	By area: Industrial countries <sup>3</sup> .....	-1,684	3,892	-3,289	460	-2,747	-5,767	-2,041	-8,834	n.a.	122,202
8	Of which United Kingdom .....	2,294	4,709	-2,122	-1,184	891	-1,102	-804	-1,709	n.a.	41,818
9	Canada .....	-4,715	-3,244	34	-279	-1,226	-3,041	1,107	1,564	n.a.	14,001
10	Caribbean banking centers <sup>4</sup> .....	-24,886	-5,493	-4,318	-7,953	-7,122	-5,654	-15,787	19,084	n.a.	147,255
11	Other .....	-3,665	-350	-1,866	-293	-1,156	284	-107	-242	n.a.	13,569
12	Commercial claims .....	-2,386	60	-757	-265	-1,424	-381	-564	-349	n.a.	23,879
13	Denominated in U.S. dollars .....	-2,305	200	-702	-278	-1,525	552	-467	-490	n.a.	21,965
14	Denominated in foreign currencies .....	-81	-140	-55	13	101	-933	-97	141	n.a.	1,914
15	By type: Trade receivables .....	-2,531	-50	-833	-306	-1,342	-299	-570	-375	n.a.	21,687
16	Advance payments and other claims .....	145	110	76	41	-82	-82	6	26	n.a.	2,192
17	By area: Industrial countries <sup>3</sup> .....	-935	105	-139	-20	-881	-446	-368	282	n.a.	13,512
18	Members of OPEC <sup>5</sup> .....	-79	59	38	-74	-102	94	-13	-108	n.a.	1,365
19	Other .....	-1,372	-104	-656	-171	-441	-29	-183	-523	n.a.	9,002
B1	Liabilities, total (table 1, line 60) .....	-4,324	2,478	-2,047	487	-5,242	10,113	10,527	6,938	n.a.	239,736
2	Financial liabilities .....	-4,486	1,973	-2,321	1,573	-5,711	9,212	9,046	6,124	n.a.	214,741
3	Denominated in U.S. dollars .....	-7,385	2,623	-2,141	-5,180	-2,687	6,691	9,603	6,660	n.a.	188,122
4	Denominated in foreign currencies .....	2,899	-650	-180	6,753	-3,024	2,521	-557	-536	n.a.	26,619
5	By area: Industrial countries <sup>3</sup> .....	6,139	2,171	1,343	4,570	-1,945	3,122	-2,082	3,554	n.a.	62,754
6	Of which United Kingdom .....	3,735	1,109	2,306	944	-624	1,342	-351	4,711	n.a.	49,762
7	Caribbean banking centers <sup>4</sup> .....	-10,853	-201	-3,419	-3,297	-3,936	6,258	11,232	2,514	n.a.	138,853
8	Other .....	228	3	-245	300	170	-168	-104	56	n.a.	13,134
9	Commercial liabilities .....	162	505	274	-1,086	469	901	1,481	814	n.a.	24,995
10	Denominated in U.S. dollars .....	-521	-314	298	-968	463	1,008	1,288	849	n.a.	23,595
11	Denominated in foreign currencies .....	683	819	-24	-118	6	-107	193	-35	n.a.	1,400
12	By type: Trade payables .....	1,190	163	939	-361	449	149	650	-466	n.a.	10,061
13	Advance receipts and other liabilities .....	-1,028	342	-665	-725	20	752	831	1,280	n.a.	14,934
14	By area: Industrial countries <sup>3</sup> .....	593	665	-28	-702	658	1,159	406	990	n.a.	15,245
15	Members of OPEC <sup>5</sup> .....	224	18	350	-156	12	221	-12	-138	n.a.	2,366
16	Other .....	-655	-178	-48	-228	-201	-479	1,087	-38	n.a.	7,384

See footnotes on page 81.

Table 8.—Claims on Foreigners Reported by U.S. Banks

[Millions of dollars]

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	1994	1995 <sup>P</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 1995
				1994				1995				
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>	
1	Total (table 1, line 47) .....	915	-59,004	869	15,107	1,590	-16,651	-29,284	-39,982	14,631	-4,369	739,027
2	By type:											
3	Banks' own claims .....	12,485	-56,252	-4,897	15,784	-673	2,271	-21,756	-32,849	14,578	-16,225	600,578
3	Payable in dollars .....	6,284	-41,367	9,124	-2,217	1,919	-2,542	-8,999	-28,165	6,719	-10,922	525,963
4	By borrower:											
4	Claims on:											
5	own foreign offices .....	3,989	-19,587	6,542	-9,911	7,094	264	-9,018	-8,472	3,609	-5,706	303,944
5	unaffiliated foreign banks .....	-11,158	14,130	2,859	-6,645	1,045	-8,417	6,132	-6,756	5,185	9,569	97,725
6	foreign public borrowers <sup>1</sup> .....	5,979	1,757	3,391	4,191	-3,224	1,621	-284	-68	1,498	611	21,681
7	other private foreigners .....	7,474	-37,667	-3,668	10,148	-2,996	3,990	-5,829	-12,869	-3,573	-15,396	102,613
8	By bank ownership: <sup>2</sup>											
8	U.S.-owned banks' claims on:											
9	own foreign offices .....	-7,131	9,731	-3,283	-5,252	2,624	-1,220	-6,324	9,207	8,347	-1,499	125,332
9	unaffiliated foreign banks .....	798	606	2,781	427	1,089	-3,499	2,931	-1,365	-762	-198	35,340
10	other foreigners .....	10,221	-36,538	-2,799	10,880	-5,110	7,250	-6,430	-14,999	-2,741	-12,368	81,782
11	Foreign-owned banks' claims on:											
12	own foreign offices .....	11,120	-29,318	9,825	-4,659	4,470	1,484	-2,694	-17,679	-4,738	-4,207	178,612
12	unaffiliated foreign banks .....	-11,956	13,524	78	-7,072	-44	-4,918	3,201	-5,391	5,947	9,767	62,385
13	other foreigners .....	3,232	628	2,522	3,459	-1,110	-1,639	317	2,062	666	-2,417	42,512
14	Payable in foreign currencies .....	6,201	-14,885	-14,021	18,001	-2,592	4,813	-12,757	-4,684	7,859	-5,303	74,615
15	Banks' domestic customers' claims .....	-11,570	-2,752	5,766	-677	2,263	-18,922	-7,528	-7,133	53	11,856	138,449
16	Payable in dollars .....	-4,897	-5,856	6,362	-641	2,987	-13,615	-8,270	-5,700	-3,563	11,677	132,354
17	Deposits .....	-14,622	16,203	-4,249	263	-860	-9,776	-338	-1,942	9,945	8,538	36,155
18	Foreign commercial paper <sup>3</sup> .....	9,847	-13,196	5,928	2,288	1,573	58	-6,767	910	-6,860	-479	54,863
19	Other negotiable and readily transferable instruments <sup>4</sup> .....	-497	-5,023	4,680	-3,002	1,630	-3,805	10	-2,800	-4,399	2,166	19,444
20	Outstanding collections and other .....	375	-3,840	3	-190	654	-92	-1,175	-1,868	-2,249	1,452	19,892
21	Payable in foreign currencies .....	-6,673	3,104	-596	-36	-734	-5,307	742	-1,433	3,616	179	6,095
22	By area:											
23	Industrial countries <sup>5</sup> .....	3,118	-27,862	-2,631	14,436	7,578	-16,265	-25,474	-11,210	15,527	-6,705	368,232
24	Western Europe .....	-1,572	-26,677	380	12,289	107	-14,348	-17,802	-1,293	7,208	-14,790	231,499
24	Of which United Kingdom .....	-4,488	-14,969	-3,044	6,705	-1,619	-6,530	-8,380	-157	8,051	-14,483	114,291
25	Canada .....	674	1,812	-960	-4,428	3,723	2,339	-7,902	4,294	1,883	3,537	35,719
26	Japan .....	2,709	-4,857	-2,368	5,812	1,447	-2,182	-1,216	-12,825	7,718	1,466	93,180
27	Other .....	1,307	1,860	317	763	2,301	-2,074	1,446	-1,386	-1,282	3,082	7,834
28	Caribbean banking centers <sup>6</sup> .....	-4,789	-18,049	3,673	-3,893	-3,674	-895	6,022	-18,713	-3,817	-1,541	223,151
29	Other areas .....	2,586	-13,093	-173	4,564	-2,314	509	-9,832	-10,059	2,921	3,877	147,644
30	Of which Members of OPEC, included below <sup>7</sup> .....	6,302	5,615	1,054	1,569	1,754	1,925	1,151	1,003	-297	3,758	16,027
31	Latin America .....	-2,474	-5,847	-4,355	3,961	2,270	-4,350	-3,930	-2,093	1,581	-1,405	70,565
32	Asia .....	5,504	-8,862	3,330	598	-4,075	5,651	-7,458	-9,785	1,889	6,492	67,833
33	Africa .....	950	-204	71	-83	414	548	148	-119	-219	-14	2,846
34	Other <sup>8</sup> .....	-1,394	1,820	781	88	-923	-1,340	1,408	1,938	-330	-1,196	6,400
1	Memoranda:											
1	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above) .....	-16,111	9,774	3,308	-7,922	2,405	-13,902	5,351	-4,290	4,876	3,837	202,263
2	By borrower:											
2	Claims on:											
3	own foreign offices .....	-8,693	-7,426	-900	-1,355	1,954	-8,392	-398	655	-3,237	-4,446	115,166
3	unaffiliated foreign banks .....	-11,672	18,730	2,446	-8,139	-785	-5,194	5,413	-4,336	8,685	8,968	56,026
4	foreign public borrowers .....	4,387	1,245	2,147	1,811	599	-170	817	402	616	-590	8,069
5	all other foreigners .....	-133	-2,775	-385	-239	637	-146	-481	-1,011	-1,188	-95	23,002
6	By bank ownership: <sup>2</sup>											
6	U.S.-owned IBF's .....	-9,577	4,058	-5,259	399	-1,818	-2,899	64	6,057	695	-2,758	62,748
7	Foreign-owned IBF's .....	-6,534	5,716	8,567	-8,321	4,223	-11,003	5,287	-10,347	4,181	6,595	139,515
8	Banks' dollar acceptances payable by foreigners .....	-363	264	305	58	-114	-612	-80	-85	-12	441	8,380

See footnotes on page 81.

Table 9.—Foreign Official Assets and Other Foreign Assets in the United States Reported by U.S. Banks

[Millions of dollars]

Line	(Credits +; increase in foreign assets. Debits -; decrease in foreign assets.)	1994	1995 <sup>P</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 1995
				1994				1995				
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>	
A1	Foreign official assets in the United States (table 1, line 49) .....	39,409	110,483	10,977	9,162	19,691	-421	22,308	37,836	39,346	10,993	656,051
	By type:											
2	U.S. Treasury securities (table 1, line 51) .....	30,723	68,773	857	5,919	16,477	7,470	10,131	25,169	20,489	12,984	461,688
3	Bills and certificates .....	-11,530	28,964	-2,393	-7,129	-3,127	1,119	2,146	12,801	8,576	5,441	168,344
4	Bonds and notes, marketable .....	41,796	39,427	3,140	12,935	19,488	6,233	7,960	12,257	11,792	7,418	287,163
5	Bonds and notes, nonmarketable .....	457	382	110	113	116	118	25	111	121	125	6,181
6	Other U.S. Government securities (table 1, line 52) .....	6,025	3,734	215	2,360	2,222	1,228	1,126	1,326	518	764	25,249
7	Other U.S. Government liabilities (table 1, line 53) .....	2,211	1,814	851	174	494	692	-154	506	89	1,373	27,313
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 54) .....	2,923	32,896	9,807	1,674	1,298	-9,856	10,940	7,886	18,478	-4,408	105,643
9	Banks' liabilities for own account, payable in dollars <sup>1</sup> .....	-4,951	22,410	2,681	1,131	4,071	-12,834	9,890	3,933	12,879	-4,292	81,706
10	Demand deposits .....	-37	537	67	361	-338	-127	141	-307	-36	739	2,101
11	Time deposits <sup>1</sup> .....	1,521	7,037	2,177	1,085	2,004	-3,745	688	3,501	4,795	-1,947	30,101
12	Other liabilities <sup>2</sup> .....	-6,435	14,836	437	-315	2,405	-8,962	9,061	739	8,120	-3,084	49,504
13	Banks' custody liabilities, payable in dollars <sup>1,3</sup> .....	7,874	10,486	7,126	543	-2,773	2,978	1,050	3,953	5,599	-116	23,937
14	Other foreign official assets (table 1, line 55) .....	-2,473	3,266	-753	-965	-800	45	265	2,949	-228	280	36,158
	By area (see text table D):											
B1	Other foreign assets in the United States (table 1, lines 58 and 61) .....	148,207	118,987	41,610	20,914	25,078	60,605	29,379	42,554	15,614	31,440	1,177,293
	By type:											
2	U.S. Treasury securities (line 58) .....	33,811	99,081	9,771	-7,317	5,428	25,929	29,910	30,315	37,192	1,664	364,728
	By security:											
3	Bills and certificates .....	-2,384	5,312	-813	5,159	-3,881	-2,849	5,167	-735	2,290	-1,410	28,567
4	Marketable bonds and notes .....	36,195	93,769	10,584	-12,476	9,309	28,778	24,743	31,050	34,902	3,074	336,161
	By holder:											
5	Foreign banks .....	506	4,416	344	-214	133	243	4,505	-702	1,149	-536	15,634
6	Other private foreigners .....	37,149	94,348	11,168	-6,910	7,540	25,351	25,228	30,904	36,028	2,188	336,261
7	International financial institutions <sup>4</sup> .....	-3,844	317	-1,741	-193	-2,245	335	177	113	15	12	12,833
8	U.S. liabilities reported by U.S. banks (line 61) .....	114,396	19,906	31,839	28,231	19,650	34,676	-531	12,239	-21,578	29,776	812,565
9	Banks' own liabilities <sup>1</sup> .....	114,062	23,389	32,236	21,268	26,806	33,752	-1,050	15,934	-18,158	26,663	777,937
10	Payable in dollars .....	102,566	1,234	23,650	35,484	17,003	26,429	-7,765	6,055	-13,591	16,535	665,649
	By account:											
11	Liabilities to own foreign offices .....	78,337	-5,187	21,545	20,722	11,987	24,083	127	-2,365	-8,334	5,385	392,082
	Liabilities to unaffiliated foreigners:											
12	demand deposits .....	4,295	327	1,338	1,178	-657	2,436	-858	-213	1,487	-89	22,252
13	time deposits <sup>1</sup> .....	9,793	-649	-301	5,508	-7,274	11,860	-2,833	7,589	-11,879	6,474	162,579
14	other liabilities <sup>2</sup> .....	10,141	6,743	1,068	8,076	12,947	-11,950	-4,201	1,044	5,135	4,765	88,736
	By holder:											
	Liabilities to:											
15	own foreign offices .....	78,337	-5,187	21,545	20,722	11,987	24,083	127	-2,365	-8,334	5,385	392,082
16	unaffiliated foreign banks .....	12,856	1,312	70	11,566	-4,340	5,560	-2,672	3,057	-10,106	11,033	172,252
17	other private foreigners .....	9,968	4,631	2,033	3,145	8,406	-3,616	-5,783	5,030	1,891	3,493	92,571
18	international financial institutions <sup>4</sup> .....	1,405	478	2	51	950	402	563	333	2,958	-3,376	8,744
	By bank ownership: <sup>5</sup>											
19	U.S.-owned banks' liabilities to:											
20	own foreign offices .....	60,338	-20,496	16,041	16,783	10,930	16,584	5,319	-14,750	-8,179	-2,886	167,061
21	unaffiliated foreign banks .....	9,447	4,998	2,080	2,547	2,812	2,008	-222	3,270	-5,009	6,959	38,761
22	other private foreigners and international financial institutions <sup>4</sup> .....	12,970	-879	2,635	3,614	9,054	-2,333	-6,366	2,541	2,797	149	63,332
	Foreign-owned banks' liabilities to:											
23	own foreign offices .....	17,999	15,309	5,504	3,939	1,057	7,499	-5,192	12,385	-155	8,271	225,021
24	unaffiliated foreign banks .....	3,409	-3,686	-2,010	9,019	-7,152	3,552	-2,450	-213	-5,097	4,074	133,491
25	other private foreigners and international financial institutions <sup>4</sup> .....	-1,597	5,988	-600	-418	302	-881	1,146	2,822	2,052	-32	37,983
26	Payable in foreign currencies .....	11,496	22,155	8,586	-14,216	9,803	7,323	6,715	9,879	-4,567	10,128	112,288
27	Banks' custody liabilities, payable in dollars <sup>1,3</sup> .....	334	-3,483	-397	6,963	-7,156	924	519	-3,695	-3,420	3,113	34,628
	Of which negotiable and readily transfer .....	-1,875	-278	-1,535	7,436	-8,127	351	1,638	-3,783	-3,285	5,152	28,654
	By area:											
28	Industrial countries <sup>6</sup> .....	77,965	64,033	29,805	791	28,404	18,965	26,144	13,478	31,753	-7,342	680,292
29	Western Europe .....	50,186	23,611	19,433	2,467	9,585	18,701	6,041	-3,676	20,367	879	448,375
30	Canada .....	8,157	-775	2,962	1,284	3,553	358	5,026	1,748	-3,625	-3,924	34,611
31	Other .....	19,622	41,197	7,410	-2,960	15,266	-94	15,077	15,406	15,011	-4,297	197,306
32	Caribbean banking centers <sup>7</sup> .....	67,907	33,248	11,574	20,428	-8,724	44,629	-2,257	20,262	-18,537	33,780	324,148
33	Other areas .....	2,335	21,706	231	-305	5,398	-2,989	5,492	8,814	2,398	5,002	172,853
34	Of which Members of OPEC, included below <sup>8</sup> .....	2,767	-39	-844	2,840	1,104	-333	105	609	234	-987	29,773
35	Latin America .....	414	-1,672	1,238	-3,373	2,202	347	-3,373	-471	-1,098	3,270	46,627
36	Asia .....	5,013	15,956	1,764	1,115	6,509	-4,375	7,161	6,960	-449	2,284	91,855
37	Africa .....	110	745	-677	392	-128	523	-244	415	366	208	6,509
38	Other <sup>9</sup> .....	-3,202	6,677	-2,094	1,561	-3,185	516	1,948	1,910	3,579	-760	27,862
	Memoranda:											
1	International banking facilities' (IBF's) own liabilities, payable in dollars (in lines A9, and B10 above) .....	42,038	10,904	356	23,872	4,961	12,849	-7,956	6,371	3,280	9,209	368,871
	By holder:											
	Liabilities to:											
2	own foreign offices .....	25,634	1,047	-2,029	10,014	10,468	7,181	-7,679	1,211	2,881	4,634	164,660
3	unaffiliated foreign banks .....	8,872	-3,674	-1,364	10,458	-7,203	6,981	-1,664	-1,864	-6,040	5,894	139,313
4	foreign official agencies .....	5,654	6,572	3,197	1,878	2,211	-1,632	-221	3,085	5,794	-2,086	37,343
5	other private foreigners and international financial institutions <sup>4</sup> .....	1,878	6,959	552	1,522	-515	319	1,608	3,939	645	767	27,555
	By bank ownership: <sup>5</sup>											
6	U.S.-owned IBF's .....	22,398	2,105	7,486	5,126	8,324	1,462	1,165	-4,185	837	4,288	83,247
7	Foreign-owned IBF's .....	19,640	8,799	-7,130	18,746	-3,363	11,387	-9,121	10,556	2,443	4,921	285,624
8	Negotiable certificates of deposit held for foreigners <sup>1</sup> (in lines A13 and B27 above) .....	328	-8,778	1,567	7,846	-7,865	-1,220	-1,136	-4,583	-2,219	-840	9,098

See footnotes on page 81.

## FOOTNOTES TO U.S. INTERNATIONAL TRANSACTIONS TABLES 1-10

General notes for all tables: <sup>P</sup> Preliminary. <sup>R</sup> Revised. \*Less than \$500,000 (±) n.a. Not available.

<sup>D</sup> Suppressed to avoid disclosure of data of individual companies.

## Table 1:

1. Credits, +: Exports of goods, services, and income; unilateral transfers to United States; capital inflows (increase in foreign assets (U.S. liabilities) or decrease in U.S. assets); decrease in U.S. official reserve assets; increase in foreign official assets in the United States.

Debits, -: Imports of goods, services, and income; unilateral transfers to foreigners; capital outflows (decrease in foreign assets (U.S. liabilities) or increase in U.S. assets); increase in U.S. official reserve assets; decrease in foreign official assets in the United States.

2. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments (for valuation, coverage, and timing) of Census statistics to balance of payments basis; see table 2.

3. Includes some goods: Mainly military equipment in line 4; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 18; and fuels purchased by airline and steamship operators in lines 7 and 21.

4. Includes transfers of goods and services under U.S. military grant programs.

5. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.

6. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.

7. For all areas, amounts outstanding December 31, 1995, were as follows in millions of dollars: Line 34, 85,831; line 35, 11,050; line 36, 11,037; line 37, 14,649; line 38, 49,096. Data are preliminary.

8. Includes sales of foreign obligations to foreigners.

9. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes.

10. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.

11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies; see table 4.

12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.

13. Conceptually, the sum of lines 70 and 62 is equal to "net foreign investment" in the national income and product accounts (NIPA's). However, the foreign transactions account in the NIPA's (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in the "Reconciliation and Other Special Tables" section in this issue of the SURVEY OF CURRENT BUSINESS. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables (published annually in the July issue of the SURVEY).

Additional footnotes for historical data in June issues of the SURVEY:

14. For 1974, includes extraordinary U.S. Government transactions with India. See "Special U.S. Government Transactions," June 1974 SURVEY, p. 27.

15. For 1978-83, includes foreign currency-denominated notes sold to private residents abroad.

16. Break in series. See Technical Notes in the June 1989, June 1990, June 1992, June 1993, and June 1995 issues of the SURVEY.

## Table 2:

1. Exports, Census basis, represent transactions values, f.a.s. U.S. port of exportation, for all years; imports, Census basis, represent Customs values (see Technical Notes in the June 1982 SURVEY), except for 1974-81, when they represent transactions values, f.a.s. foreign port of exportation (see June issues of the SURVEY for historical data).

From 1983 forward, both unadjusted and seasonally adjusted data have been prepared by BEA from "actual" and "revised statistical" month data supplied by the Census Bureau (see Technical Notes in the December 1985 SURVEY).

Seasonally adjusted data reflect the application of seasonal factors developed jointly by Census and BEA. The seasonally adjusted data are the sum of seasonally adjusted five-digit end-use categories (see Technical Notes in the June 1980 SURVEY, in the June 1988 SURVEY, and in the June 1991 SURVEY). Prior to 1983, annual data are as published by the Census Bureau, except that for 1975-80 published Census data are adjusted to include trade between the U.S. Virgin Islands and foreign countries.

2. Beginning in 1990, the Census Bureau replaced its compiled export statistics with counterpart Canadian import statistics. Similarly, Statistics Canada replaced its compiled export statistics with counterpart U.S. import statistics. This exchange of data has eliminated the need for the inland freight adjustment on U.S. exports, but not on U.S. imports.

3. Adjustments in lines A5 and A13, B12, B47, and B82 reflect the Census Bureau's reconciliation of discrepancies between the merchandise trade statistics published by the United States and the counterpart statistics published in Canada. These adjustments are distributed to the affected end-use categories in section C. Beginning in 1986, estimates for undocumented exports to Canada, the largest item in the U.S.-Canadian reconciliation, are included in Census basis data shown in line A1.

4. Exports of military equipment under U.S. military agency sales contracts with foreign governments (line A6), and direct imports by the Department of Defense and the Coast Guard (line A14), to the extent such trade is identifiable from Customs declarations. The exports are included in tables 1 and 10, line 4 (transfers under U.S. military agency sales contracts); the imports are included in tables 1 and 10, line 18 (direct defense expenditures).

5. Addition of electrical energy; deduction of exposed motion picture film for rental rather than sale; net change in stock of U.S.-owned grains in storage in Canada; coverage adjustments for special situations in which shipments were omitted from Census data; deduction of the value of repairs and alterations to foreign-owned equipment shipped to the United States for repair; and the inclusion of fish exported outside of U.S. customs area. Also includes deduction of exports to the Panama Canal Zone before October 1, 1979, and for 1975-82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see June issues of the SURVEY for historical data).

6. Deduction of foreign charges for repair of U.S. vessels abroad, which are included in tables 1 and 10, line 21 (other transportation); coverage adjustments for special situations in which shipments were omitted from Census data; and the deduction of the value of repairs and alterations to U.S.-owned equipment shipped abroad for repair. Also includes addition of understatement of inland freight in f.a.s. values of U.S. merchandise imports from Canada in 1974-81; deduction of imports from the Panama Canal Zone before October 1, 1979; and for 1975-82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see June issues of the SURVEY for historical data).

7. For 1988-89, correction for the understatement of crude petroleum imports from Canada.

8. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 10, lines 2 and 16. Trade with international organizations includes purchases of nonmonetary gold from the International Monetary Fund, transfers of tin to the International Tin Council (ITC), and sales of satellites to Intelsat. The memoranda are defined as follows: *Industrial countries*: Western Europe, Canada, Japan, Australia, New Zealand, and South Africa; *Members of OPEC*: Venezuela, Ecuador, Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Indonesia, Algeria, Libya, Nigeria, and Gabon (beginning in January 1993, excludes Ecuador); *Other countries*: Eastern Europe, Latin America and Other Western Hemisphere, and other countries in Asia and Africa, less OPEC. Before 1984, complete geographic area detail was not available for some balance of payments adjustments. Therefore, the detail shown does not always sum to the values shown for the area aggregates. For all years, "Asia" and "Africa" exclude certain Pacific Islands and unidentified countries included in "Other countries in Asia and Africa."

9. Includes the former German Democratic Republic (East Germany) beginning in fourth quarter of 1990. In earlier periods, the German Democratic Republic was included in Eastern Europe.

10. Beginning in 1986, New Zealand and South Africa are included in "Other countries in Asia and Africa," with New Zealand included as part of "Asia" and South Africa as part of "Africa."

11. Includes nuclear fuel materials and fuels.

## Table 3:

1. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production.

2. Copyrights, trademarks, franchises, rights to broadcast live events, and other intangible property rights.

3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign governments and international organizations in the United States. Payments (imports) include mainly wages of foreign residents temporarily employed in the United States and Canadian and Mexican commuters in U.S. border areas.

## Table 4:

1. Expenditures to release foreign governments from their contractual liabilities to pay for military goods and services purchased through military sales contracts—first authorized (for Israel) under Public Law 93-199, section 4, and subsequently authorized (for many recipients) under similar legislation—are included in line A3. Deliveries against these military sales contracts are included in line C10; see footnote 2. Of the line A3 items, part of these military expenditures is applied in lines A40 and A43 to reduce short-term assets previously recorded in lines A38 and C8; this application of funds is excluded from lines C3 and C4. A second part of line A3 expenditures finances future deliveries under military sales contracts for the recipient countries and is applied directly to lines A39 and C9. A third part of line A3, disbursed directly to finance purchases by recipient countries from commercial suppliers in the United States, is included in line A34. A fourth part of line A3, representing dollars paid to the recipient countries to finance purchases from countries other than the United States, is included in line A45.

2. Transactions under military sales contracts are those in which the Department of Defense sells and transfers military goods and services to a foreign purchaser, on a cash or credit basis. Purchases by foreigners directly from commercial suppliers are not included as transactions under military sales contracts. The entries for the several categories of transactions related to military sales contracts in this and other tables are partly estimated from incomplete data.

3. The identification of transactions involving direct dollar outflows from the United States is made in reports by each operating agency.

4. Line A35 includes foreign currency collected as interest and line A40 includes foreign currency collected as principal, as recorded in lines A13 and A14, respectively.

5. Includes (a) advance payments to the Department of Defense (on military sales contracts) financed by loans extended to foreigners by U.S. Government agencies and (b) the counterparty for the part of line C10 that was delivered without prepayment by the foreign purchaser. Also includes expenditures of appropriations available to release foreign purchasers from liability to make repayment.

6. Includes purchases of loans from U.S. banks and exporters and payments by the U.S. Government under commercial export credit and investment guarantee programs.

7. Excludes liabilities associated with military sales contracts financed by U.S. Government grants and credits and included in line C2.

## Table 5:

1. Beginning with 1991, payments and receipts of interest related to interest rate and foreign currency swaps between affiliates and parents are netted and are shown as either net payments or net receipts. Receipts and payments of other types of interest are shown on a gross basis.

2. Petroleum includes, and manufacturing and "other" industries exclude, the exploration, development, and production of crude oil and gas, and the transportation, refining, and marketing of petroleum products, exclusive of petrochemicals. "Other" industries includes wholesale trade; banking; finance (except banking), insurance, and real estate; services; and other industries—agriculture, forestry, and fishing; mining; construction; transportation, communication, and public utilities; and retail trade.

3. Acquisition of equity holdings in existing and newly established companies, capital contributions, capitalization of intercompany debt, and other equity contributions.

4. Sales (total and partial), liquidations, returns of capital contributions, and other dispositions of equity holdings.

## Table 6:

1. Primarily provincial, regional, and municipal.

2. Largely transactions by International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), and Inter-American Development Bank (IDB).

3. Estimate for scheduled redemptions and identifiable early retirements. Includes estimates based on Canadian statistics for redemptions of Canadian issues held in the United States. Unidentified and nonscheduled retirements appear in line A30.

## Table 7:

1. Deposits (line A5) include other financial claims (line A6) for some countries due to the commingling of these categories in foreign source data.

2. Primarily mortgages, loans, and bills and notes drawn on foreigners.

3. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

4. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

5. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Beginning in January 1993, excludes Ecuador.

## Table 8:

1. Includes central governments and their agencies and corporations; state, provincial, and local governments and their agencies and corporations; and international and regional organizations.

2. U.S.-owned banks are mainly U.S.-chartered banks and Edge Act subsidiaries. U.S. brokers' and dealers' accounts may be commingled in some categories. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States.

3. Commercial paper issued in the U.S. market by foreign incorporated entities; excludes commercial paper issued through foreign direct investment affiliates in the United States.

4. Negotiable and readily transferable instruments other than commercial paper, payable in dollars; consists largely of negotiable certificates of deposit.

5. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

6. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

7. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Beginning in January 1993, excludes Ecuador.

8. Includes Eastern Europe and international and regional organizations.

## Table 9:

1. Negotiable certificates of deposit issued by banks in the United States are included in banks' custody liabilities and are separately identified in memorandum line 8. Nonnegotiable certificates of deposit are included in time deposits.

2. Includes borrowing under Federal funds or repurchase arrangements, deferred credits, and liabilities other than deposits.

3. Mainly negotiable and readily transferable instruments, excluding U.S. Treasury securities.

4. Mainly International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), Inter-American Development Bank (IDB), and the Trust Fund of the International Monetary Fund.

5. U.S.-owned banks are mainly U.S.-chartered banks and Edge Act subsidiaries. U.S. brokers' and dealers' liabilities may be commingled in some categories. Foreign-owned banks are U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States.

6. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

7. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

8. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Beginning in January 1993, excludes Ecuador.

9. Includes Eastern Europe and international and regional organizations.

## Table 10: For footnotes 1-13, see table 1.

14. The "European Union" includes the "European Union (6)," United Kingdom, Denmark, Ireland, Greece, Spain, and Portugal. Beginning with the first quarter of 1995, the "European Union" also includes Austria, Finland, and Sweden.

15. The "European Union (6)" includes Belgium, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Italy, Luxembourg, Netherlands, European Atomic Energy Community, European Coal and Steel Community, and European Investment Bank.

16. Includes, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Also includes taxes withheld, current-cost adjustments associated with U.S. and foreign direct investment, and small transactions in business services that are not reported by country.

17. Details not shown separately; see totals in lines 49 and 56.

18. Details not shown separately are included in line 61.

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Western Europe						European Union <sup>14</sup>	
		1994	1995 <sup>P</sup>	1995				1994	1995 <sup>P</sup>
				I	II	III <sup>P</sup>	IV <sup>P</sup>		
1	Exports of goods, services, and income .....	238,834	277,552	65,885	70,049	68,107	73,512	205,625	249,812
2	Merchandise, adjusted, excluding military <sup>2</sup> .....	115,362	132,205	31,866	33,890	31,084	35,365	100,430	121,316
3	Services <sup>3</sup> .....	68,049	72,165	16,487	17,491	19,732	18,454	56,969	63,415
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	3,190	2,175	633	419	492	631	2,051	1,642
5	Travel .....	18,991	19,790	4,049	4,994	6,236	4,511	15,960	17,684
6	Passenger fares .....	5,783	6,196	1,343	1,430	1,958	1,465	5,191	5,953
7	Other transportation .....	8,816	9,419	2,248	2,385	2,417	2,369	6,544	7,224
8	Royalties and license fees <sup>5</sup> .....	11,827	13,797	3,218	3,380	3,380	3,818	10,698	12,953
9	Other private services <sup>5</sup> .....	19,289	20,624	4,947	4,853	5,203	5,621	16,402	17,817
10	U.S. Government miscellaneous services .....	154	164	49	31	46	38	123	142
11	Income receipts on U.S. assets abroad .....	55,423	73,183	17,532	18,668	17,290	19,693	48,226	65,081
12	Direct investment receipts .....	28,516	40,868	10,033	10,501	9,291	11,043	23,558	34,694
13	Other private receipts .....	25,332	30,815	6,959	7,876	7,630	8,350	23,465	29,162
14	U.S. Government receipts .....	1,575	1,500	540	291	369	300	1,403	1,225
15	Imports of goods, services, and income .....	-266,451	-303,020	-69,500	-79,812	-77,135	-76,573	-228,373	-272,912
16	Merchandise, adjusted, excluding military <sup>2</sup> .....	-132,925	-147,786	-34,586	-39,644	-35,580	-37,976	-112,387	-134,321
17	Services <sup>3</sup> .....	-57,637	-59,615	-12,604	-15,962	-16,814	-14,235	-49,721	-52,699
18	Direct defense expenditures .....	-6,739	-6,274	-1,548	-1,580	-1,581	-1,565	-6,207	-5,632
19	Travel .....	-15,190	-15,912	-2,658	-4,966	-5,177	-3,111	-13,566	-14,575
20	Passenger fares .....	-5,973	-6,314	-1,138	-1,863	-1,981	-1,332	-5,345	-5,788
21	Other transportation .....	-9,349	-9,245	-2,277	-2,344	-2,380	-2,244	-7,038	-7,127
22	Royalties and license fees <sup>5</sup> .....	-3,988	-4,410	-954	-1,033	-1,188	-1,234	-2,856	-3,518
23	Other private services <sup>5</sup> .....	-15,271	-16,315	-3,723	-3,888	-4,230	-4,475	-13,750	-15,066
24	U.S. Government miscellaneous services .....	-1,127	-1,146	-306	-288	-277	-275	-960	-993
25	Income payments on foreign assets in the United States .....	-75,888	-95,619	-22,310	-24,207	-24,741	-24,362	-66,265	-85,892
26	Direct investment payments .....	-18,140	-25,092	-5,090	-6,589	-7,029	-6,385	-18,009	-22,973
27	Other private payments .....	-40,006	-47,308	-11,678	-11,825	-11,831	-11,974	-35,543	-42,925
28	U.S. Government payments .....	-17,742	-23,219	-5,542	-5,793	-5,881	-6,003	-14,713	-19,994
29	Unilateral transfers, net .....	831	1,335	190	435	353	357	1,543	1,875
30	U.S. Government grants <sup>4</sup> .....	-443	-246	-150	-20	-53	-23	-192	-77
31	U.S. Government pensions and other transfers .....	-1,103	-1,069	-265	-256	-266	-282	-851	-883
32	Private remittances and other transfers <sup>6</sup> .....	2,377	2,650	605	711	672	662	2,586	2,835
33	U.S. assets abroad, net (increase/capital outflow (-)) .....	-3,408	-132,688	-33,366	-27,207	-21,863	-50,251	1,063	-119,477
34	U.S. official reserve assets, net <sup>7</sup> .....	2,440	2,574	430	2,173	172	-201	3,198	2,648
35	Gold .....	.....	.....	.....	.....	.....	.....	.....	.....
36	Special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....
37	Reserve position in the International Monetary Fund .....	.....	.....	.....	.....	.....	.....	.....	.....
38	Foreign currencies .....	2,440	2,574	430	2,173	172	-201	3,198	2,648
39	U.S. Government assets, other than official reserve assets, net .....	-249	116	95	-85	64	42	-121	1
40	U.S. credits and other long-term assets .....	-902	-646	-157	-157	-145	-187	-542	-456
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	685	784	250	77	234	223	425	473
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	-32	-22	2	-5	-25	6	-4	-16
43	U.S. private assets, net .....	-5,599	-135,378	-33,891	-29,295	-22,099	-50,092	-2,014	-122,126
44	Direct investment .....	-14,533	-48,847	-12,554	-9,765	-8,686	-17,841	-12,430	-42,633
45	Foreign securities .....	7,803	-45,313	-788	-14,837	-12,345	-17,343	11,346	-43,755
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	2,739	n.a.	-2,811	-3,471	-6,716	n.a.	447	n.a.
47	U.S. claims reported by U.S. banks, not included elsewhere .....	-1,608	-26,220	-17,738	-1,222	7,648	-14,908	-1,377	-22,040
48	Foreign assets in the United States, net (increase/capital inflow (+)) .....	133,776	169,013	43,745	21,733	63,936	39,599	128,133	161,054
49	Foreign official assets in the United States, net .....	5,988	-6,365	1,570	-1,311	-2,865	-3,759	(18)	(18)
50	U.S. Government securities .....	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
51	U.S. Treasury securities <sup>9</sup> .....	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
52	Other <sup>10</sup> .....	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
53	Other U.S. Government liabilities <sup>11</sup> .....	-76	1,316	129	361	351	475	-150	700
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
55	Other foreign official assets <sup>12</sup> .....	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
56	Other foreign assets in the United States, net .....	127,788	175,378	42,175	23,044	66,801	43,358	(18)	(18)
57	Direct investment .....	31,393	65,732	17,845	12,169	20,364	15,354	24,195	54,539
58	U.S. Treasury securities .....	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)
59	U.S. securities other than U.S. Treasury securities .....	41,994	79,288	15,890	15,068	21,216	27,114	40,230	80,701
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	4,433	n.a.	2,384	-579	5,011	n.a.	4,705	n.a.
61	U.S. liabilities reported by U.S. banks, not included elsewhere .....	(17)	(17)	(17)	(17)	(17)	(17)	18 59,153	18 18,777
62	Allocations of special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....
63	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed) .....	-103,583	-12,192	-6,954	14,802	-33,398	13,357	-107,990	-20,352
64	Memoranda:								
65	Balance on merchandise trade (lines 2 and 16) .....	-17,563	-15,581	-2,720	-5,754	-4,496	-2,611	-11,957	-13,005
66	Balance on services (lines 3 and 17) .....	10,412	12,549	3,883	1,530	2,918	4,219	7,248	10,716
67	Balance on goods and services (lines 64 and 65) .....	-7,151	-3,032	1,163	-4,225	-1,578	1,608	-4,709	-2,289
68	Balance on investment income (lines 11 and 25) .....	-20,466	-22,436	-4,778	-5,539	-7,451	-4,669	-18,039	-20,812
69	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) <sup>13</sup> .....	-27,616	-25,468	-3,615	-9,763	-9,028	-3,061	-22,748	-23,100
70	Unilateral transfers, net (line 29) .....	831	1,335	190	435	353	357	1,543	1,875
71	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) <sup>13</sup> .....	-26,785	-24,133	-3,425	-9,328	-8,675	-2,704	-21,205	-21,225

See footnotes on page 81.

**Transactions, by Area**  
 of dollars]

European Union <sup>14</sup>				United Kingdom						European Union (6) <sup>15</sup>						Line
1995				1994	1995 <sup>P</sup>	1995				1994	1995 <sup>P</sup>	1995				
I	II	III <sup>r</sup>	IV <sup>P</sup>			I	II	III <sup>r</sup>	IV <sup>P</sup>			I	II	III <sup>r</sup>	IV <sup>P</sup>	
59,232	62,850	61,475	66,255	67,405	74,592	17,202	18,925	18,769	19,697	115,334	136,341	32,607	34,321	33,176	36,237	1
29,226	30,616	28,817	32,657	25,972	27,994	6,574	7,224	6,807	7,389	63,761	73,765	17,866	18,743	17,409	19,747	2
14,403	15,515	17,344	16,153	18,213	18,952	4,300	4,676	5,263	4,713	30,816	33,459	7,597	8,016	9,247	8,599	3
466	336	399	441	680	435	162	90	96	87	663	676	178	103	157	238	4
3,665	4,512	5,548	3,959	6,438	6,710	1,373	1,705	2,107	1,525	8,003	8,332	1,657	2,125	2,725	1,825	5
1,318	1,359	1,881	1,395	1,618	1,733	388	387	550	408	2,989	3,202	696	719	1,032	755	6
1,662	1,876	1,815	1,871	1,283	1,358	312	352	348	346	3,640	3,965	925	978	1,023	1,039	7
3,006	3,175	3,171	3,601	2,168	2,334	557	542	575	660	7,041	8,203	1,933	2,012	1,996	2,262	8
4,243	4,234	4,489	4,852	5,973	6,334	1,497	1,595	1,570	1,672	8,425	9,012	2,184	2,066	2,297	2,465	9
44	24	40	34	53	48	11	5	17	15	55	69	24	13	17	15	10
15,602	16,719	15,315	17,445	23,220	27,646	6,327	7,025	6,699	7,594	20,757	29,117	7,144	7,562	6,520	7,891	11
8,676	9,028	7,714	9,276	8,165	10,351	2,497	2,600	2,405	2,848	12,189	18,902	4,807	4,876	4,053	5,166	12
6,534	7,431	7,271	7,926	15,021	17,264	3,830	4,425	4,294	4,715	7,414	9,247	2,047	2,437	2,239	2,524	13
392	260	330	243	34	31				31	1,154	968	290	249	228	201	14
-62,462	-71,834	-69,403	-69,212	-84,361	-100,838	-23,276	-25,403	-25,878	-26,281	-124,673	-137,212	-31,296	-37,438	-34,605	-33,873	15
-31,514	-36,007	-32,241	-34,559	-24,861	-26,716	-6,415	-6,889	-6,454	-6,958	-77,604	-85,579	-20,008	-23,280	-20,554	-21,737	16
-10,922	-14,081	-14,949	-12,748	-17,601	-18,625	-4,035	-4,810	-5,142	-4,637	-26,501	-27,128	-5,541	-7,487	-7,613	-6,487	17
-1,379	-1,428	-1,420	-1,405	-561	-514	-112	-125	-147	-130	-5,321	-4,744	-1,176	-1,212	-1,176	-1,180	18
-2,429	-4,467	-4,754	-2,925	-4,378	-4,588	-906	-1,287	-1,385	-1,010	-7,310	-7,660	-1,222	-2,510	-2,450	-1,478	19
-1,039	-1,673	-1,832	-1,244	-2,254	-2,394	-493	-705	-686	-510	-2,202	-2,394	-329	-773	-778	-514	20
-1,662	-1,840	-1,823	-1,802	-1,592	-1,496	-336	-379	-395	-386	-3,809	-3,840	-915	-970	-985	-970	21
-731	-808	-984	-995	-1,427	-1,762	-356	-425	-483	-498	-1,339	-1,527	-321	-334	-439	-432	22
-3,413	-3,613	-3,899	-4,142	-7,278	-7,784	-1,808	-1,875	-2,023	-2,078	-5,780	-6,205	-1,384	-1,485	-1,603	-1,733	23
-269	-252	-237	-235	-111	-87	-24	-14	-24	-25	-740	-758	-194	-202	-182	-180	24
-20,027	-21,746	-22,214	-21,906	-41,899	-55,498	-12,826	-13,705	-14,281	-14,686	-20,569	-24,506	-5,747	-6,671	-6,438	-5,649	25
-4,798	-6,033	-6,409	-5,734	-8,222	-12,976	-2,611	-3,157	-3,569	-3,639	-7,496	-8,936	-1,918	-2,737	-2,533	-1,747	26
-10,465	-10,746	-10,724	-10,990	-26,772	-32,008	-7,840	-7,974	-7,966	-8,228	-7,801	-9,353	-2,290	-2,380	-2,364	-2,319	27
-4,764	-4,967	-5,081	-5,182	-6,905	-10,514	-2,375	-2,574	-2,746	-2,819	-5,272	-6,217	-1,539	-1,554	-1,541	-1,583	28
435	517	461	462	1,280	1,278	315	338	346	279	821	1,061	236	287	257	281	29
-10	-15	-38	-14													30
-221	-222	-223	-217	-138	-140	-35	-35	-35	-35	-474	-478	-118	-119	-119	-122	31
666	754	722	693	1,418	1,418	350	373	381	314	1,295	1,539	354	406	376	403	32
-30,311	-23,572	-16,882	-48,712	21,631	-53,778	-13,708	-13,576	-3,187	-23,307	-16,515	-43,130	-12,551	-7,121	-11,379	-12,079	33
814	1,883	152	-201							3,198	2,648	814	1,883	152	-201	34
																35
																36
																37
814	1,883	152	-201							3,198	2,648	814	1,883	152	-201	38
29	-133	71	34	119	120	3	-5	-2	124	-1	-12	-3	7	-18	2	39
-128	-140	-77	-111													40
154	9	171	139	120	121				121	1						41
3	-2	-23	6	-1	-1	3	-5	-2	3	-2	-12	-3	7	-18	2	42
-31,154	-25,322	-17,105	-48,545	21,512	-53,898	-13,711	-13,571	-3,185	-23,431	-19,712	-45,766	-13,362	-9,011	-11,513	-11,880	43
-11,341	-8,484	-6,735	-16,073	2,075	-8,209	-4,629	-1,400	-3,001	822	-11,711	-22,166	-5,149	-6,480	-3,820	-6,717	44
-582	-14,420	-11,752	-17,001	21,807	-27,151	257	-11,155	-6,484	-9,769	-7,010	-9,654	229	-1,453	-2,855	-5,575	45
-2,826	-3,274	-7,598	n.a.	2,118	n.a.	-959	-859	-1,751	n.a.	-1,555	n.a.	-1,608	-2,069	-5,388	n.a.	46
-16,405	856	8,980	-15,471	-4,488	-14,969	-8,380	-157	8,051	-14,483	564	-4,881	-6,834	991	550	412	47
43,838	13,702	68,098	35,417	109,511	107,026	38,559	13,248	44,929	10,290	22,172	36,551	5,294	-329	18,450	13,135	48
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	49
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	50
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	51
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	52
83	280	120	217	37	17	-5	8	4	10	-232	-11	-58	73	-6	-20	53
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	54
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	55
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	56
14,850	9,074	16,691	13,925	12,356	27,380	10,795	5,352	3,227	8,006	10,889	19,027	3,465	2,426	11,182	1,953	57
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	58
16,717	16,383	21,314	26,287	33,841	64,656	15,522	18,006	15,993	15,135	5,047	7,322	753	-1,829	4,335	4,063	59
2,041	-1,035	5,331	n.a.	3,922	n.a.	1,745	-301	5,169	n.a.	755	n.a.	255	907	114	n.a.	60
18 10,147	18 -11,000	18 24,642	18 -5,012	18 59,355	18 8,360	18 10,502	18 -9,817	18 20,536	18 -12,861	18 5,713	18 10,751	18 879	18 -92	18 2,825	18 7,139	61
																62
-10,731	18,337	-43,748	15,791	-115,466	-28,280	-19,091	6,468	-34,979	19,322	2,861	6,389	5,710	10,279	-5,899	-3,701	63
-2,288	-5,391	-3,424	-1,902	1,111	1,278	159	335	353	431	-13,843	-11,814	-2,142	-4,537	-3,145	-1,990	64
3,482	1,434	2,395	3,405	612	327	265	-134	120	76	4,315	6,332	2,057	529	1,634	2,112	65
1,194	-3,957	-1,029	1,503	1,723	1,605	424	201	473	507	-9,528	-5,482	-85	-4,008	-1,511	122	66
-4,425	-5,028	-6,899	-4,461	-18,680	-27,851	-6,499	-6,679	-7,582	-7,091	188	4,611	1,397	891	82	2,242	67
-3,231	-8,985	-7,928	-2,957	-16,956	-26,246	-6,075	-6,478	-7,109	-6,584	-9,339	-871	1,312	-3,117	-1,429	2,364	68
435	517	461	462	1,280	1,278	315	338	346	279	821	1,061	236	287	257	281	69
-2,796	-8,468	-7,467	-2,495	-15,676	-24,968	-5,760	-6,140	-6,763	-6,305	-8,518	190	1,548	-2,830	-1,172	2,645	70



Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Eastern Europe						Canada	
		1994	1995 <sup>P</sup>	1995				1994	1995 <sup>P</sup>
				I	II	III <sup>P</sup>	IV <sup>P</sup>		
1	<b>Exports of goods, services, and income</b> .....	<b>7,700</b>	<b>9,029</b>	<b>1,928</b>	<b>2,227</b>	<b>2,225</b>	<b>2,650</b>	<b>145,301</b>	<b>163,500</b>
2	Merchandise, adjusted, excluding military <sup>2</sup> .....	5,346	5,741	1,175	1,458	1,375	1,733	114,869	127,589
3	Services <sup>3</sup> .....	2,204	2,703	630	650	695	729	17,452	18,034
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	138	351	87	77	91	96	150	137
5	Travel .....	566	591	117	161	169	144	6,251	6,097
6	Passenger fares .....	94	101	25	29	26	21	1,133	1,118
7	Other transportation .....	599	716	160	165	163	228	2,345	2,429
8	Royalties and license fees <sup>5</sup> .....	62	92	19	21	24	27	1,229	1,337
9	Other private services <sup>5</sup> .....	712	794	215	187	199	193	6,300	6,860
10	U.S. Government miscellaneous services .....	34	58	7	9	22	20	43	56
11	Income receipts on U.S. assets abroad .....	150	585	123	119	155	188	12,980	17,877
12	Direct investment receipts .....	-204	157	-12	50	33	86	4,925	8,603
13	Other private receipts .....	180	206	43	59	35	69	8,050	9,274
14	U.S. Government receipts .....	174	222	92	10	87	33	5	
15	<b>Imports of goods, services, and income</b> .....	<b>-8,244</b>	<b>-10,047</b>	<b>-2,495</b>	<b>-2,826</b>	<b>-2,518</b>	<b>-2,209</b>	<b>-150,659</b>	<b>-170,568</b>
16	Merchandise, adjusted, excluding military <sup>2</sup> .....	-5,828	-7,017	-1,971	-1,953	-1,622	-1,471	-131,115	-147,870
17	Services <sup>3</sup> .....	-1,937	-2,053	-368	-630	-632	-423	-11,905	-13,038
18	Direct defense expenditures .....	-4	-10	-1	-5	-2	-2	-57	-56
19	Travel .....	-1,022	-1,070	-174	-351	-366	-179	-3,912	-4,311
20	Passenger fares .....	-196	-204	-5	-68	-89	-42	-302	-314
21	Other transportation .....	-367	-368	-100	-96	-77	-95	-3,320	-3,516
22	Royalties and license fees <sup>5</sup> .....	-20	-16	-4	-4	-4	-4	-77	-136
23	Other private services <sup>5</sup> .....	-286	-321	-74	-93	-76	-78	-4,058	-4,529
24	U.S. Government miscellaneous services .....	-42	-64	-10	-13	-18	-23	-180	-176
25	Income payments on foreign assets in the United States .....	-480	-978	-156	-243	-264	-315	-7,638	-9,660
26	Direct investment payments .....	-5	-2	-1	-1	-1	-1	-2,654	-3,457
27	Other private payments .....	-145	-355	-66	-85	-92	-112	-3,017	-3,805
28	U.S. Government payments .....	-330	-621	-89	-157	-171	-204	-1,967	-2,398
29	<b>Unilateral transfers, net</b> .....	<b>-3,488</b>	<b>-2,825</b>	<b>-705</b>	<b>-646</b>	<b>-694</b>	<b>-780</b>	<b>-366</b>	<b>-382</b>
30	U.S. Government grants <sup>4</sup> .....	-2,495	-1,825	-452	-408	-448	-517		
31	U.S. Government pensions and other transfers .....	-36	-36	-9	-9	-9	-9	-431	-445
32	Private remittances and other transfers <sup>6</sup> .....	-957	-964	-244	-229	-237	-254	65	63
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	<b>-157</b>	<b>-3,958</b>	<b>408</b>	<b>141</b>	<b>-1,889</b>	<b>-2,618</b>	<b>-15,550</b>	<b>-13,599</b>
34	U.S. official reserve assets, net <sup>7</sup> .....							(*)	
35	Gold .....								
36	Special drawing rights .....								
37	Reserve position in the International Monetary Fund .....								
38	Foreign currencies .....							(*)	
39	U.S. Government assets, other than official reserve assets, net .....	19	-201	-26	-21	-98	-56	124	6
40	U.S. credits and other long-term assets .....	-1,138	-223	-38	-36	-24	-125		
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	878	65		8	2	55	120	
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	279	-43	12	7	-76	14	4	6
43	U.S. private assets, net .....	-176	-3,757	434	162	-1,791	-2,562	-15,674	-13,605
44	Direct investment .....	-750	-1,337	-89	-231	-392	-392	-4,252	-7,226
45	Foreign securities .....	-500	-595	-79	67	-488	-95	-7,207	-7,403
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-88	n.a.	60	21	-21	n.a.	-4,889	n.a.
47	U.S. claims reported by U.S. banks, not included elsewhere .....	1,162	-1,885	542	304	-656	-2,075	674	1,812
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	<b>3,022</b>	<b>15,471</b>	<b>1,953</b>	<b>8,071</b>	<b>1,770</b>	<b>3,678</b>	<b>14,075</b>	<b>7,541</b>
49	Foreign official assets in the United States, net .....	(18)	(18)	(18)	(18)	(18)	(18)	1,929	2,229
50	U.S. Government securities .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
51	U.S. Treasury securities <sup>9</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
52	Other <sup>10</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
53	Other U.S. Government liabilities <sup>11</sup> .....	(*)	-3	3	-2	-2	-2	-21	-9
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
55	Other foreign official assets <sup>12</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
56	Other foreign assets in the United States, net .....	(18)	(18)	(18)	(18)	(18)	(18)	12,146	5,312
57	Direct investment .....	48	-101	1	-10	-7	-85	3,968	5,287
58	U.S. Treasury securities .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
59	U.S. securities other than U.S. Treasury securities .....	36	221	4	60	141	-7	594	
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	41	n.a.	-15	50	-27	n.a.	28	n.a.
61	U.S. liabilities reported by U.S. banks, not included elsewhere .....	18 2,897	18 15,346	18 1,948	18 8,029	18 1,745	18 3,624	(17)	(17)
62	<b>Allocations of special drawing rights</b> .....								
63	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b> .....	<b>1,167</b>	<b>-7,669</b>	<b>-1,090</b>	<b>-6,966</b>	<b>1,107</b>	<b>-721</b>	<b>7,200</b>	<b>13,507</b>
64	<b>Memoranda:</b>								
65	Balance on merchandise trade (lines 2 and 16) .....	-482	-1,276	-796	-495	-247	262	-16,246	-20,281
66	Balance on services (lines 3 and 17) .....	268	651	262	20	63	306	5,546	4,996
67	Balance on goods and services (lines 64 and 65) .....	-214	-626	-534	-475	-184	568	-10,700	-15,285
68	Balance on investment income (lines 11 and 25) .....	-330	-393	-33	-124	-109	-127	5,342	8,217
69	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) <sup>13</sup> .....	-545	-1,019	-567	-599	-294	441	-5,358	-7,068
70	Unilateral transfers, net (line 29) .....	-3,488	-2,825	-705	-646	-694	-780	-366	-382
71	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) <sup>13</sup> .....	-4,033	-3,844	-1,272	-1,245	-988	-339	-5,724	-7,450

See footnotes on page 81.

**Transactions, by Area—Continued**  
 of dollars]

Canada				Latin America and Other Western Hemisphere						Japan						Line
1995				1994	1995 <sup>P</sup>	1995				1994	1995 <sup>P</sup>	1995				
I	II	III <sup>r</sup>	IV <sup>P</sup>			I <sup>r</sup>	II	III <sup>r</sup>	IV <sup>P</sup>			I	II	III <sup>r</sup>	IV <sup>P</sup>	
40,400	42,097	39,709	41,295	155,627	167,097	40,609	41,223	41,597	43,668	89,010	106,278	24,817	26,221	27,964	27,275	1
31,861	33,130	30,402	32,196	92,031	95,853	23,421	23,512	23,988	24,932	51,817	62,894	14,752	15,543	16,177	16,422	2
4,630	4,589	4,509	4,306	30,872	29,801	7,184	6,987	7,840	7,790	30,386	32,644	7,703	7,671	9,053	8,217	3
39	26	30	42	421	442	109	110	116	107	612	832	175	76	203	378	4
1,640	1,711	1,483	1,263	14,249	12,558	2,935	2,891	3,436	3,296	10,544	11,012	2,599	2,503	3,261	2,649	5
325	277	239	277	3,346	3,153	783	732	845	793	5,386	5,782	1,325	1,468	1,713	1,276	6
591	602	598	638	3,190	3,449	817	857	875	900	3,240	3,490	809	878	906	897	7
302	313	354	369	1,115	1,194	291	285	295	323	4,526	5,194	1,178	1,294	1,347	1,375	8
1,708	1,657	1,792	1,702	8,414	8,848	2,209	2,081	2,226	2,332	6,014	6,266	1,616	1,449	1,589	1,613	9
25	3	13	15	138	157	40	31	47	39	64	68	2	2	34	30	10
3,909	4,377	4,799	4,792	32,724	41,443	10,004	10,724	9,768	10,946	6,806	10,740	2,362	3,007	2,734	2,636	11
1,822	2,007	2,323	2,451	16,051	15,698	3,756	4,151	3,557	4,233	2,893	5,581	1,042	1,698	1,303	1,537	12
2,087	2,370	2,476	2,341	16,271	24,847	6,114	6,306	6,099	6,328	3,483	4,902	1,268	1,178	1,355	1,101	13
				402	898	134	267	112	385	430	257	52	131	76	-2	14
-41,355	-43,416	-41,960	-43,837	-138,863	-166,493	-40,187	-41,448	-41,911	-42,948	-154,002	-165,639	-40,723	-43,024	-41,951	-39,941	15
-36,436	-37,837	-35,274	-38,323	-88,526	-104,601	-25,355	-25,923	-26,240	-27,083	-119,135	-123,494	-30,707	-32,573	-31,056	-29,158	16
-2,717	-3,297	-4,089	-2,935	-24,642	-25,501	-6,195	-6,353	-6,392	-6,562	-15,104	-16,149	-3,781	-3,894	-4,286	-4,188	17
-12	-13	-16	-15	-353	-420	-102	-90	-118	-110	-1,226	-1,302	-329	-321	-327	-325	18
-546	-1,092	-1,925	-748	-12,552	-12,794	-3,044	-3,226	-3,194	-3,330	-2,916	-3,055	-695	-791	-806	-763	19
-53	-82	-102	-77	-2,197	-2,256	-601	-507	-537	-611	-546	-580	-130	-141	-156	-153	20
-856	-893	-848	-919	-2,135	-2,230	-561	-571	-559	-539	-5,280	-5,391	-1,243	-1,377	-1,476	-1,295	21
-28	-35	-37	-36	-109	-135	-28	-37	-35	-35	-990	-1,433	-372	-339	-367	-355	22
-1,158	-1,155	-1,120	-1,096	-6,854	-7,178	-1,730	-1,819	-1,825	-1,804	-4,022	-4,235	-992	-907	-1,109	-1,227	23
-64	-27	-40	-45	-442	-488	-128	-104	-124	-132	-124	-153	-20	-18	-45	-70	24
-2,202	-2,282	-2,598	-2,579	-25,695	-36,392	-8,637	-9,172	-9,279	-9,303	-19,762	-25,997	-6,235	-6,557	-6,609	-6,595	25
-696	-665	-1,064	-1,033	-1,004	-982	-276	-334	-220	-151	-1,171	-2,104	-801	-361	-644	-297	26
-880	-984	-929	-1,012	-19,436	-29,232	-7,028	-7,434	-7,502	-7,268	-5,896	-7,058	-1,532	-1,960	-1,532	-2,034	27
-626	-633	-605	-534	-5,255	-6,178	-1,333	-1,404	-1,557	-1,884	-12,695	-16,835	-3,902	-4,236	-4,433	-4,264	28
-124	-73	-102	-83	-8,314	-8,382	-2,038	-2,027	-2,240	-2,077	-152	-137	-73	2	-46	-20	29
				-1,661	-1,674	-334	-395	-519	-426	1						30
-111	-112	-112	-110	-717	-652	-165	-144	-180	-180	-50	-51	-13	-13	-13	-12	31
-13	39	10	27	-5,936	-6,056	-1,539	-1,488	-1,558	-1,471	-103	-86	-60	15	-33	-8	32
-14,611	2,400	-702	-686	-67,101	-61,209	-13,866	-45,055	11,635	-13,923	-13,859	-29,694	-4,848	-13,096	-7,203	-4,547	33
					-11,800	-5,000	-5,000	-2,500	700	2,853	2,758	645	1,047	1,064	2	34
																35
																36
																37
					-11,800	-5,000	-5,000	-2,500	700	2,853	2,758	645	1,047	1,064	2	38
-7	10	1	2	509	532	183	86	254	9	10	-17	1	-3	-20	5	39
				-962	-918	-207	-173	-282	-256							40
				1,492	1,466	367	283	542	274							41
-7	10	1	2	-21	-16	23	-24	-6	-9	10	-17	1	-3	-20	5	42
-14,604	2,390	-703	-688	-67,610	-49,941	-9,049	-40,141	13,881	-14,632	-16,722	-32,435	-5,494	-14,140	-8,247	-4,554	43
-2,864	-559	1,383	-5,185	-15,724	-16,204	-1,943	-3,488	-4,141	-6,632	-2,843	-3,186	-2,326	383	-1,068	-175	44
-349	-2,478	-5,536	960	-19,472	-7,056	-3,891	253	1,510	-4,928	-16,208	-23,634	-2,069	-1,735	-13,985	-5,845	45
-3,489	1,133	1,568	n.a.	-25,127	n.a.	-5,335	-16,098	18,664	n.a.	-380	n.a.	117	37	-912	n.a.	46
-7,902	4,294	1,883	3,537	-7,287	-23,912	2,120	-20,808	-2,152	-3,072	2,709	-4,857	-1,216	-12,825	7,718	1,466	47
9,653	886	-2,186	-812	47,378	84,521	-226	44,778	3,285	36,685	54,905	74,105	25,441	28,580	23,394	-3,310	48
2,036	273	971	-1,051	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	49
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	50
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	51
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	52
3	-8	-2	-2	-21	19	36	-21	-7	11	-11	-210	-183	147	195	-369	53
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	54
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	55
7,617	613	-3,157	239	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	56
920	288	341	3,738	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	57
(17)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	58
431	-292	30	425	2,845	11,008	1,616	3,933	6,684	-1,225	6,676	-500	-1,431	1,079	143	-291	59
1,240	-1,131	97	n.a.	-10,624	n.a.	5,692	11,507	2,358	n.a.	2,170	n.a.	583	86	-793	n.a.	60
(17)	(17)	(17)	(17)	18 51,147	18 56,913	18 -6,901	18 30,448	18 -6,130	18 39,496	18 39,627	18 68,268	18 26,899	18 24,988	18 20,829	18 -4,448	61
																62
6,037	-1,893	5,241	4,123	11,272	-15,534	15,708	2,529	-12,366	-21,405	24,098	15,088	-4,614	1,317	-2,157	20,543	63
-4,575	-4,707	-4,872	-6,127	3,505	-8,748	-1,934	-2,411	-2,252	-2,151	-67,318	-60,600	-15,955	-17,030	-14,879	-12,736	64
1,913	1,292	420	1,371	6,231	4,300	990	634	1,449	1,228	15,282	16,495	3,922	3,777	4,767	4,030	65
-2,662	-3,415	-4,452	-4,756	9,736	-4,448	-945	-1,777	-803	-923	-52,036	-44,105	-12,033	-13,254	-10,112	-8,706	66
1,707	2,096	2,201	2,214	7,029	5,051	1,367	1,552	489	1,643	-12,956	-15,257	-3,873	-3,550	-3,875	-3,959	67
-955	-1,319	-2,251	-2,542	16,765	603	423	-226	-314	720	-64,992	-59,362	-15,906	-16,803	-13,987	-12,666	68
-124	-73	-102	-83	-8,314	-8,382	-2,038	-2,027	-2,240	-2,077	-152	-137	2	-46	-20	-20	69
-1,079	-1,392	-2,353	-2,625	8,451	-7,779	-1,615	-2,553	-2,554	-1,357	-65,144	-59,499	-15,979	-16,801	-14,033	-12,686	70

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Australia					
		1994	1995 <sup>2</sup>	1995			
				I	II	III <sup>3</sup>	IV <sup>4</sup>
1	<b>Exports of goods, services, and income</b> .....	<b>17,212</b>	<b>18,799</b>	<b>4,651</b>	<b>4,702</b>	<b>4,554</b>	<b>4,893</b>
2	Merchandise, adjusted, excluding military <sup>2</sup> .....	9,586	10,496	2,590	2,663	2,601	2,642
3	Services <sup>3</sup> .....	4,209	4,316	1,041	1,059	1,129	1,088
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	412	248	67	57	56	68
5	Travel .....	1,445	1,511	351	386	421	353
6	Passenger fares .....	426	456	106	113	131	106
7	Other transportation .....	261	281	65	72	72	72
8	Royalties and license fees <sup>5</sup> .....	540	586	136	136	147	167
9	Other private services <sup>5</sup> .....	1,120	1,225	312	295	299	320
10	U.S. Government miscellaneous services .....	5	9	5		2	2
11	Income receipts on U.S. assets abroad .....	3,417	3,988	1,020	981	824	1,163
12	Direct investment receipts .....	2,371	2,735	757	602	618	758
13	Other private receipts .....	1,046	1,253	263	379	206	405
14	U.S. Government receipts .....						
15	<b>Imports of goods, services, and income</b> .....	<b>-5,272</b>	<b>-6,222</b>	<b>-1,620</b>	<b>-1,437</b>	<b>-1,632</b>	<b>-1,533</b>
16	Merchandise, adjusted, excluding military <sup>2</sup> .....	-3,202	-3,396	-905	-823	-849	-819
17	Services <sup>3</sup> .....	-2,045	-2,231	-562	-490	-595	-585
18	Direct defense expenditures .....	-50	-64	-18	-15	-16	-15
19	Travel .....	-785	-821	-198	-164	-250	-209
20	Passenger fares .....	-422	-451	-129	-93	-107	-122
21	Other transportation .....	-243	-293	-67	-72	-77	-77
22	Royalties and license fees <sup>5</sup> .....	-19	-16	-4	-4	-4	-4
23	Other private services <sup>5</sup> .....	-482	-546	-131	-136	-131	-148
24	U.S. Government miscellaneous services .....	-44	-40	-15	-5	-10	-10
25	Income payments on foreign assets in the United States .....	-25	-594	-153	-124	-188	-129
26	Direct investment payments .....	243	-204	-75	-24	-89	-16
27	Other private payments .....	-189	-281	-52	-88	-71	-70
28	U.S. Government payments .....	-79	-109	-26	-12	-28	-43
29	<b>Unilateral transfers, net</b> .....	<b>-85</b>	<b>-97</b>	<b>-30</b>	<b>-22</b>	<b>-24</b>	<b>-21</b>
30	U.S. Government grants <sup>4</sup> .....						
31	U.S. Government pensions and other transfers .....	-28	-28	-7	-7	-7	-7
32	Private remittances and other transfers <sup>6</sup> .....	-57	-69	-23	-15	-17	-14
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	<b>-2,136</b>	<b>-4,238</b>	<b>985</b>	<b>-1,157</b>	<b>-2,513</b>	<b>-1,553</b>
34	U.S. official reserve assets, net <sup>7</sup> .....						
35	Gold .....						
36	Special drawing rights .....						
37	Reserve position in the International Monetary Fund .....						
38	Foreign currencies .....						
39	U.S. Government assets, other than official reserve assets, net .....	6	3	2	1		
40	U.S. credits and other long-term assets .....						
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	2					
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	4	3	2	1		
43	U.S. private assets, net .....	-2,142	-4,241	983	-1,158	-2,513	-1,553
44	Direct investment .....	-1,382	-5,469	-982	50	-1,002	-3,536
45	Foreign securities .....	-2,241	130	369	45	713	-997
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-54	n.a.	-16	-130	-458	n.a.
47	U.S. claims reported by U.S. banks, not included elsewhere .....	1,535	1,702	1,611	-1,123	-1,766	2,980
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	<b>4,649</b>	<b>582</b>	<b>-678</b>	<b>-869</b>	<b>744</b>	<b>1,385</b>
49	Foreign official assets in the United States, net .....	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities .....	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities <sup>9</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)
52	Other <sup>10</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)
53	Other U.S. Government liabilities <sup>11</sup> .....	-174	-22	1	20	-22	-21
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets <sup>12</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net .....	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment .....	1,830	-448	201	-265	-636	251
58	U.S. Treasury securities .....	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. securities other than U.S. Treasury securities .....	656	645	193	670	-283	65
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	166	n.a.	54	-60	213	n.a.
61	U.S. liabilities reported by U.S. banks, not included elsewhere .....	18 2,171	18 200	18 -1,127	18 -1,234	18 1,471	18 1,090
62	<b>Allocations of special drawing rights</b> .....						
63	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b> .....	<b>-14,368</b>	<b>-8,824</b>	<b>-3,308</b>	<b>-1,217</b>	<b>-1,129</b>	<b>-3,171</b>
64	<b>Memoranda:</b>						
65	Balance on merchandise trade (lines 2 and 16) .....	6,384	7,100	1,685	1,840	1,752	1,823
66	Balance on services (lines 3 and 17) .....	2,164	2,085	479	569	534	502
67	Balance on goods and services (lines 64 and 65) .....	8,548	9,185	2,164	2,409	2,286	2,325
68	Balance on investment income (lines 11 and 25) .....	3,392	3,393	867	856	636	1,034
69	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) <sup>13</sup> .....	11,939	12,578	3,031	3,265	2,922	3,359
70	Unilateral transfers, net (line 29) .....	-85	-97	-30	-22	-24	-21
71	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) <sup>13</sup> .....	11,854	12,481	3,001	3,243	2,898	3,338

See footnotes on page 81.

**Transactions, by Area—Continued**  
 of dollars]

Other countries in Asia and Africa						International organizations and unallocated <sup>16</sup>						Line
1994	1995 <sup>P</sup>	1995				1994	1995 <sup>P</sup>	1995				
		I	II	III <sup>r</sup>	IV <sup>P</sup>			I	II	III <sup>r</sup>	IV <sup>P</sup>	
169,697	205,969	49,342	50,535	52,608	53,484	15,440	16,785	4,215	4,013	4,236	4,321	1
113,385	140,101	33,221	34,604	35,178	37,098	89	.....	.....	.....	.....	.....	2
40,878	43,964	10,695	10,782	11,979	10,508	4,666	5,202	1,345	1,212	1,363	1,281	3
7,439	8,489	1,887	2,282	2,381	1,939	56	.....	.....	.....	.....	.....	4
8,360	8,719	1,867	2,302	2,732	1,818	.....	.....	.....	.....	.....	.....	5
1,309	1,407	289	346	440	332	.....	.....	.....	.....	.....	.....	6
7,032	7,828	1,826	1,980	1,967	2,055	595	941	287	152	314	188	7
1,979	2,315	498	618	563	637	1,160	1,337	308	330	334	365	8
14,318	14,946	4,268	3,195	3,817	3,666	2,854	2,924	750	730	716	728	9
441	259	60	59	79	61	1	.....	.....	.....	.....	.....	10
15,434	21,904	5,425	5,150	5,451	5,878	10,686	11,583	2,870	2,801	2,873	3,039	11
10,058	14,289	3,090	3,421	3,548	4,230	3,093	3,266	845	745	784	892	12
4,321	6,496	1,977	1,461	1,642	1,416	7,152	7,718	1,892	1,898	1,929	1,999	13
1,055	1,119	358	268	261	232	441	599	133	158	160	148	14
-227,289	-261,433	-58,509	-62,755	-71,704	-68,466	-3,525	-4,405	-1,104	-1,015	-1,181	-1,105	15
-187,853	-215,184	-47,632	-51,276	-59,713	-56,563	.....	.....	.....	.....	.....	.....	16
-23,859	-25,134	-6,067	-6,316	-6,385	-6,366	-1,700	-2,056	-554	-449	-556	-497	17
-1,841	-1,738	-445	-436	-420	-437	.....	.....	.....	.....	.....	.....	18
-7,185	-7,533	-1,753	-2,004	-1,905	-1,871	.....	.....	.....	.....	.....	.....	19
-3,060	-3,266	-836	-788	-827	-815	.....	.....	.....	.....	.....	.....	20
-7,040	-7,556	-1,808	-1,873	-1,989	-1,886	-639	-906	-294	-156	-270	-186	21
-59	-81	-16	-19	-18	-28	-404	-334	-76	-79	-88	-91	22
-3,978	-4,213	-1,015	-1,021	-1,042	-1,135	-654	-812	-183	-213	-197	-219	23
-696	-747	-194	-175	-184	-194	-2	-4	-1	-1	-1	-1	24
-15,577	-21,115	-4,810	-5,163	-5,606	-5,536	-1,825	-2,349	-550	-566	-624	-609	25
-304	-519	-89	-130	-284	-16	415	298	90	80	63	65	26
-6,589	-8,936	-2,070	-2,266	-2,265	-2,335	-1,973	-2,387	-570	-587	-612	-618	27
-8,684	-11,660	-2,651	-2,767	-3,057	-3,185	-267	-259	-70	-59	-75	-55	28
-14,171	-9,954	-2,242	-2,006	-2,904	-2,802	-10,016	-9,653	-2,681	-2,385	-2,118	-2,469	29
-10,259	-6,193	-1,331	-1,110	-1,838	-1,914	-957	-1,089	-600	-351	-84	-54	30
-377	-172	109	-94	-91	-96	-1,505	-661	-172	-91	-162	-236	31
-3,535	-3,589	-1,020	-802	-975	-792	-7,554	-7,903	-1,909	-1,943	-1,872	-2,179	32
-18,789	-30,940	-9,528	-17,965	-4,097	650	-4,852	-3,770	-1,413	-162	-2,011	-184	33
.....	.....	.....	.....	.....	.....	53	-3,274	-1,393	-942	-629	-310	34
.....	.....	.....	.....	.....	.....	-441	-808	-867	-156	362	-147	35
.....	.....	.....	.....	.....	.....	494	-2,466	-526	-786	-991	-163	36
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	37
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	38
270	436	-138	67	365	142	-1,011	-1,201	-262	-235	-320	-384	39
-1,169	-1,756	-914	-212	-422	-208	-1,011	-1,201	-262	-235	-320	-384	40
1,867	2,037	426	279	933	399	.....	.....	.....	.....	.....	.....	41
-428	155	350	(*)	-146	-49	.....	.....	.....	.....	.....	.....	42
-19,059	-31,376	-9,390	-18,032	-4,462	508	-3,894	706	242	1,015	-1,062	510	43
-8,031	-12,788	-2,281	-4,917	-2,699	-2,891	-1,856	-1,840	-362	-448	-448	-569	44
-12,018	-9,448	518	-3,156	-3,545	-3,265	44	-450	-278	110	-322	40	45
-4,831	n.a.	37	-6	-449	n.a.	9	n.a.	-7	15	-17	n.a.	46
5,821	-8,648	-7,590	-9,953	2,231	6,664	-2,091	3,004	889	1,351	-275	1,039	47
33,785	75,397	13,570	22,038	23,296	16,494	-225	-305	1,224	-572	2,873	-3,830	48
(18)	(18)	(18)	(18)	(18)	(18)	24	5	9	14	-15	-3	49
(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	50
(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	51
(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	52
2,490	718	-152	-5	-409	1,284	24	5	9	14	-15	-3	53
(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	54
(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	55
(18)	(18)	(18)	(18)	(18)	(18)	-249	-310	1,215	-586	2,888	-3,827	56
2,353	1,050	-664	-65	896	883	-618	-514	-141	-130	-123	-120	57
(18)	(18)	(18)	(18)	(18)	(18)	.....	(18)	(18)	(18)	(18)	(18)	58
5,910	3,857	-680	183	3,294	1,060	515	-537	-219	-96	-167	-55	59
-584	n.a.	120	592	45	n.a.	46	n.a.	55	62	34	n.a.	60
<sup>18</sup> 23,616	<sup>18</sup> 69,015	<sup>18</sup> 14,946	<sup>18</sup> 21,332	<sup>18</sup> 19,470	<sup>18</sup> 13,267	<sup>18</sup> -192	<sup>18</sup> 590	<sup>18</sup> 1,520	<sup>18</sup> -422	<sup>18</sup> 3,144	<sup>18</sup> -3,652	61
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	62
56,767	20,961	7,368	10,153	2,801	640	3,178	1,347	-242	121	-1,800	3,268	63
-74,468	-75,083	-14,411	-16,672	-24,535	-19,465	89	.....	.....	.....	.....	.....	64
17,019	18,830	4,629	4,466	5,594	4,142	2,966	3,146	792	763	807	785	65
-57,449	-56,253	-9,782	-12,206	-18,941	-15,324	3,055	3,146	792	763	807	785	66
-143	789	615	-13	-155	341	8,860	9,235	2,320	2,235	2,249	2,431	67
-57,592	-55,465	-9,168	-12,219	-19,096	-14,982	11,916	12,381	3,112	2,998	3,056	3,215	68
-14,171	-9,954	-2,242	-2,006	-2,904	-2,802	-10,016	-9,653	-2,681	-2,385	-2,118	-2,469	69
-71,763	-65,419	-11,410	-14,225	-22,000	-17,784	1,900	2,728	431	613	938	746	70